

2015 Third Quarter Business Review

(unaudited)

October 22, 2015

Upcoming Investor Events

- 2016 outlook meeting
 - December 15, 2015
 - Conference call, 8 a.m. CST/9 a.m. EST
- Investor day
 - March 29, 2016
 - Location: 3M headquarters, St. Paul, MN
- 2016 earnings conference calls
 - January 26
 - April 26
 - July 26
 - October 25

Forward Looking Statement

This presentation contains forward-looking information about 3M's financial results and estimates and business prospects that involve substantial risks and uncertainties. You can identify these statements by the use of words such as "anticipate," "estimate," "expect," "aim," "project," "intend," "plan," "believe," "will," "should," "could," "target," "forecast" and other words and terms of similar meaning in connection with any discussion of future operating or financial performance or business plans or prospects. Among the factors that could cause actual results to differ materially are the following: (1) worldwide economic and capital markets conditions and other factors beyond 3M's control, including natural and other disasters affecting the operations of 3M or its customers and suppliers; (2) 3M's credit ratings and its cost of capital; (3) competitive conditions and customer preferences; (4) foreign currency exchange rates and fluctuations in those rates; (5) the timing and market acceptance of new product offerings; (6) 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); (7) 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; (8) generating fewer productivity improvements than estimated; (9) unanticipated problems or delays with the phased implementation of a global enterprise resource planning (ERP) system, or security breaches and other disruptions to 3M's information technology infrastructure; and (10) legal proceedings, including significant developments that could occur in the legal and regulatory proceedings described in 3M's Annual Report on Form 10-K for the year ended December 31, 2014, 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 "Cautionary Note Concerning Factors That May Affect Future Results" and "Risk Factors" in Part I, Items 1 and 1A (Annual Report) and in Part I, Item 2 and Part II, Item 1A (Quarterly Report). The information contained in this presentation is as of the date indicated. 3M assumes no obligation to update any forward-looking statements contained in this presentation as a result of new information or future events or developments.

Q3 2015 Highlights

- GAAP EPS of \$2.05, up 3.5% year-on-year
- Sales of \$7.7 billion, down 5.2% in dollar terms
 - Organic local currency +1.2%
 - Positive growth across all geographic areas
 - Acquisitions, net of divestitures, increased sales by 1.0%
 - FX reduced sales by 7.4%
- Operating margins of 24.3%, up 90 basis points year-on-year
 - All business groups over 22%
- Returned \$2.2 billion to shareholders via dividends and gross share repurchases

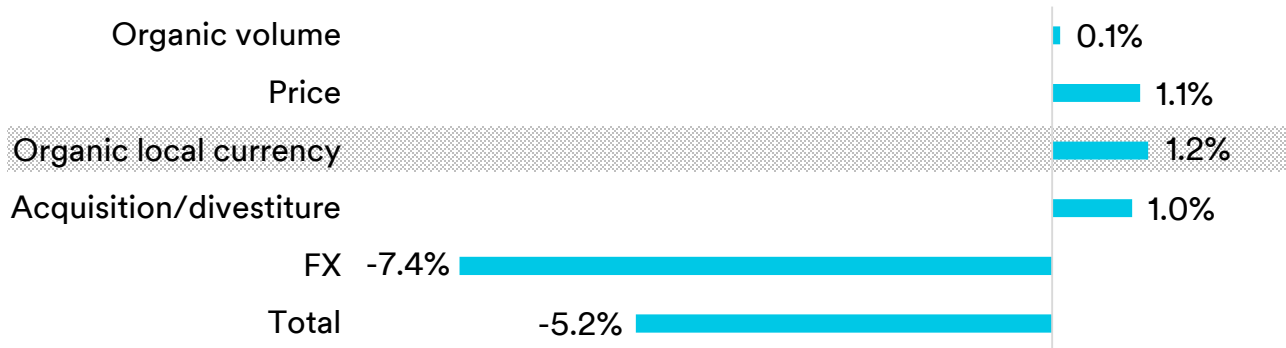
Refer to 3M's October 22, 2015 press release for full details.

Positioning 3M for the Future

- Investing in R&D and cap-ex to drive organic growth
- Portfolio actions
 - Acquisitions (closed in Q3): Capital Safety; Polypore's Separations Media business
 - Divestitures (closing in Q4): Library Systems; License plate converting business in France
 - Announced intent to pursue strategic alternatives for Health Information Systems business
- Restructuring actions
 - Expected reduction of 1,500 positions globally
 - Lowers 2016 pre-tax operating costs by approximately \$130 million
 - Fourth-quarter pre-tax charge of approximately \$100 million, or \$0.13 per share

Q3 2015 Sales Recap

Worldwide Sales Change Due To:



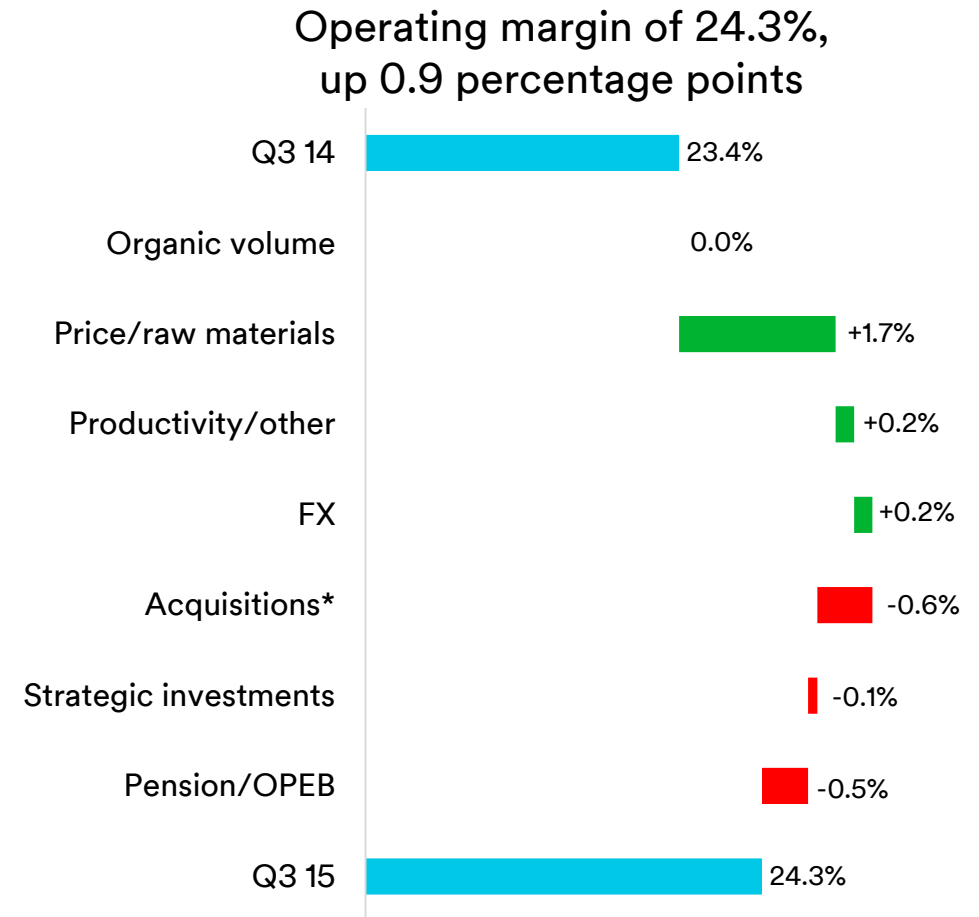
(\$M)	US	APAC	EMEA	LAC
Organic volume	+1.2%	+0.4%	-0.6%	-2.7%
Price	<u>+0.3%</u>	<u>0.0%</u>	<u>+2.1%</u>	<u>+5.0%</u>
Organic local currency	+1.5%	+0.4%	+1.5%	+2.3%
Acq/div	+1.5%	+0.4%	+0.8%	+1.0%
FX	<u>-----</u>	<u>-6.9%</u>	<u>-14.4%</u>	<u>-21.1%</u>
Total growth	+3.0%	-6.1%	-12.1%	-17.8%

- Organic local currency:
 - U.S. +1.5%
 - Asia Pacific +0.4%
 - China/Hong Kong -2%
 - Japan +1%
 - EMEA +1.5%
 - West Europe flat
 - Latin America/Canada +2.3%
 - Mexico +13%, Brazil -2%
- FX reduced sales by 7.4%
 - Euro -15%, Yen -14%, Real -37%

Q3 2015 P&L

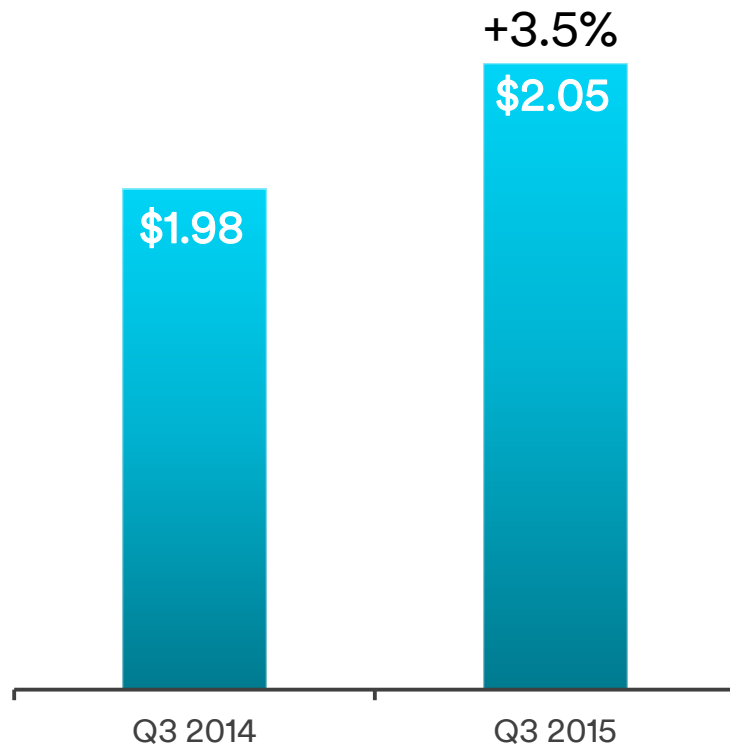
(\$M)	Q3 2014	Q3 2015	Change
Sales	\$8,137	\$7,712	-5.2%
Gross profit	\$3,932	\$3,835	-2.5%
% to sales	48.3%	49.7%	+1.4 pts
SG&A	\$1,597	\$1,530	-4.2%
% to sales	19.6%	19.8%	+0.2 pts
R&D & related	\$434	\$429	-1.0%
% to sales	5.3%	5.6%	+0.3 pts
Operating income	\$1,901	\$1,876	-1.3%
% to sales	23.4%	24.3%	+0.9 pts
Net income	\$1,303	\$1,296	-0.5%
Earnings per share	\$1.98	\$2.05	+3.5%

Refer to 3M's October 22, 2015 press release for full details.



*Includes impact from Ivera Medical, Capital Safety and Polypore's Separations Media business.

Q3 2015 GAAP EPS



Q3 2014	\$1.98	
Organic growth, margin expansion	+\$0.11	▪ Includes -\$0.04 headwind from pension/OPEB expense
Acquisitions	-\$0.04	▪ Includes impact from Capital Safety and Polypore Separations Media business
FX	-\$0.10	▪ Pre-tax earnings impact of ~\$95M
Tax rate	+\$0.02	▪ Q3 2015 29.6% vs. Q3 2014 30.3%
Shares outstanding	<u>+\$0.08</u>	▪ Average diluted shares down 4%
Q3 2015	\$2.05	

Q3 2015 Cash Flow

(\$M)	Q3 2014	Q3 2015	Change	Q3 YTD 2014	Q3 YTD 2015	Change	
Operating cash flow	\$1,711	\$1,664	(\$47)	\$4,443	\$4,082	(\$361)	
Capital expenditures	<u>(\$369)</u>	<u>(\$354)</u>	<u>\$15</u>	<u>(\$1,003)</u>	<u>(\$1,015)</u>	<u>(\$12)</u>	▪ Expecting FY 2015 of \$1.4B to \$1.5B
Free cash flow	\$1,342	\$1,310	(\$32)	\$3,440	\$3,067	(\$373)	
Free cash flow conversion	103%	101%	-2 pts	91%	81%	-10 pts	▪ Expecting FY 2015 of 95% to 100%
Dividends	\$550	\$635	\$85	\$1,672	\$1,933	\$261	
Gross share repurchase	<u>\$1,239</u>	<u>\$1,523</u>	<u>\$284</u>	<u>\$4,373</u>	<u>\$4,104</u>	<u>(\$269)</u>	▪ Expecting FY 2015 of \$5B to \$5.5B
Total cash to shareholders	\$1,789	\$2,158	\$369	\$6,045	\$6,037	(\$8)	

Refer to 3M's October 22, 2015 press release for full details.

Industrial

(\$M)	Q3 2014	Q3 2015	% Growth
Sales	\$2,772	\$2,575	-7.1%
Organic local currency			+0.2%
Acquisition/divestiture			+0.7%
FX			-8.0%
Operating income	\$616	\$580	-5.8%
Operating margin <i>Ex-acquisition</i>	22.2% 22.2%	22.5% 23.1%*	+0.3 pts +0.9 pts

*Excludes impact of Polypore's Separations Media business which closed August 26, 2015.

- Organic local currency growth:
 - By business: growth led by automotive OEM, 3M purification, abrasives and industrial adhesives and tapes; advanced materials declined
 - By area: sales grew in Latin America/Canada, Asia Pacific and EMEA; sales declined in the U.S.
- Closed acquisition of Polypore's Separations Media business, which adds "ultra" filtration capabilities to 3M's existing core filtration platform



Safety & Graphics

(\$M)	Q3 2014	Q3 2015	% Growth
Sales	\$1,448	\$1,417	-2.2%
Organic local currency			+2.9%
Acquisition/divestiture			+4.2%
FX			-9.3%
Operating income	\$340	\$324	-4.8%
Operating margin <i>Ex-acquisition</i>	23.5% 23.5%	22.9% 24.8%*	-0.6 pts +1.3 pts

*Excludes impact of Capital Safety acquisition which closed August 3, 2015.

- Organic local currency growth:
 - By business: sales grew in roofing granules, commercial solutions and personal safety; traffic safety and security declined
 - By area: sales increased in Asia Pacific, EMEA and the U.S.; sales declined in Latin America/Canada
- Closed acquisition of Capital Safety, a leading global provider of fall protection equipment



Health Care

(\$M)	Q3 2014	Q3 2015	% Growth
Sales	\$1,390	\$1,346	-3.2%
Organic local currency			+3.7%
Acquisition/divestiture			+0.9%
FX			-7.8%
Operating income	\$432	\$432	+0.1%
Operating margin	31.0%	32.1%	+1.1 pts

- Organic local currency growth:
 - By business: sales grew in health information systems, food safety, critical and chronic care, oral care and infection prevention; drug delivery systems declined year-on-year
 - By area: sales grew in all areas led by Latin America/Canada, Asia Pacific and the U.S.
- Food safety business announced next generation of 3M™ Molecular Detection Assays for detecting foodborne pathogens
- Ivera Medical integration on track; business exceeding sales and profit objectives



Electronics & Energy

(\$M)	Q3 2014	Q3 2015	% Growth
Sales	\$1,500	\$1,378	-8.1%
Organic local currency			-2.8%
Acquisition/divestiture			-0.7%
FX			-4.6%
Operating income	\$338	\$342	+1.4%
Operating margin	22.5%	24.9%	+2.4 pts

- Organic local currency growth:
 - By business: electronic-related sales declined 3% (sales grew in electronics materials solutions and declined in display materials and systems); energy-related sales declined 2% (growth in telecom was offset by declines in electrical markets and renewable energy)
 - By area: sales grew in EMEA; sales declined in the U.S., Latin America/Canada and Asia Pacific
- 3M ACCR overhead conductor business grew double-digits with project installations in the U.S. and U.K.



Consumer

(\$M)	Q3 2014	Q3 2015	% Growth
Sales	\$1,177	\$1,162	-1.2%
Organic local currency			+5.0%
Acquisition/divestiture			-----
FX			-6.2%
Operating income	\$272	\$293	+7.5%
Operating margin	23.2%	25.2%	+2.0 pts

- Organic local currency growth:
 - By business: sales grew in stationery and office supplies, home improvement and home care
 - By area: sales increased in U.S., Asia Pacific and EMEA; Latin America/Canada sales declined year-on-year
- Global expansion of Nexcare™ Sensitive Skin collection, a new line of first aid products specially formulated for sensitive skin
- Strong “back-to-school” season, led by growth in Scotch® home and office tapes, Post-it™ and Command™ products



Updating 2015 Planning Estimates

	Q2 Earnings Call 7/23/15	Today 10/22/15
Sales growth:		
Organic local currency	+2.5% to +4%	+1.5% to +2%
FX	-6% to -7%	-7%
M&A	NA	+0.5%
EPS:		
GAAP	\$7.73 to \$7.93*	\$7.60 to \$7.65
Excluding restructuring	NA	\$7.73 to \$7.78
Tax Rate	28.5% to 29.5%	28.5% to 29.5%
Free cash flow conversion	90% to 100%	95% to 100%

*3M adjusted its GAAP earnings expectations on August 26, 2015 to include impact from Capital Safety and Polypore's Separations Media business acquisitions.

Q & A

Appendix

The background of the slide is an abstract composition of various shades of green, ranging from light lime to deep forest green. These colors are arranged in a complex, low-poly geometric pattern of triangles and quadrilaterals, creating a dynamic and modern visual effect.

Business Segment Information

	Net Sales		Operating Income	
Business Groups	Q3 2014	Q3 2015	Q3 2014	Q3 2015
Industrial	\$2,772	\$2,575	\$616	\$580
Safety & Graphics	\$1,448	\$1,417	\$340	\$324
Health Care	\$1,390	\$1,346	\$432	\$432
Electronics & Energy	\$1,500	\$1,378	\$338	\$342
Consumer	\$1,177	\$1,162	\$272	\$293
Corporate and Unallocated	\$3	\$2	(\$63)	(\$58)
Elimination of Dual Credit	<u>(\$153)</u>	<u>(\$168)</u>	<u>(\$34)</u>	<u>(\$37)</u>
Total	\$8,137	\$7,712	\$1,901	\$1,876

	Net Sales		Operating Income	
	YTD 2014	YTD 2015	YTD 2014	YTD 2015
	\$8,363	\$7,867	\$1,851	\$1,787
	\$4,365	\$4,221	\$1,011	\$1,023
	\$4,180	\$4,039	\$1,293	\$1,280
	\$4,233	\$4,010	\$858	\$902
	\$3,395	\$3,321	\$741	\$792
	\$5	\$0	(\$184)	(\$232)
	<u>(\$439)</u>	<u>(\$482)</u>	<u>(\$97)</u>	<u>(\$106)</u>
	\$24,102	\$22,976	\$5,473	\$5,446