

# **3M CEO Says Initiatives Driving the Company's Growth**

## **- Shareholders Elect Four Directors at Annual Meeting -**

W. James McNerney, Jr., 3M Chairman and CEO, told more than 3,300 shareholders at the 3M annual meeting today at RiverCentre, St. Paul, that the company continues to build momentum after delivering solid 2002 results.

"By focusing on the fundamentals of operating excellence, new product growth, international strength and leadership development, we were able to deliver solid financial 2002 results," McNerney said. "We achieved these results by driving growth and operations, in large part through the success of the corporate initiatives: Six Sigma, 3M Acceleration, eProductivity, Global Sourcing Effectiveness and Indirect Cost Control. Last year, these initiatives had a combined profit impact of more than a half billion dollars," he said.

McNerney praised 3M employees around the world for delivering the results under difficult economic conditions. While celebrating the company's 100th anniversary last year, "3Mers again demonstrated their values, their character and their determination to perform well," he said.

3M's solid results continued in the first quarter this year, McNerney said, with sales up 11 percent and earnings per share up more than 11 percent. Excluding special items, earnings per share increased more than 15 percent. Free cash flow was \$644 million, up 26 percent from the year-earlier quarter. "The entire 3M team is excited by these results," McNerney said. "At the same time, we know that economic and geopolitical uncertainty persists -- and it's important to maintain a cautious economic outlook in our planning," he said.

He told shareholders that, through the initiatives, 3M is on track to achieve double-digit earnings and cash growth in 2003. "We are confident in our ability to achieve our top-line and profitability goals along with higher cash flow and a healthy balance sheet," he said.

McNerney highlighted several 3M employees who exemplify "all of the people who successfully combine products, operating excellence and corporate values to create a unique culture of innovation known and respected worldwide." Examples included the team that creates optical films for electronic displays -- one of 3M's fastest-growing businesses, a manufacturing team that found a way to dramatically reduce inventory, teams in Taiwan and mainland China that have developed excellent technical platforms and people, and employees that have reduced waste through recycling efforts and made outstanding community contributions through volunteerism.

While investing in growth, 3M also continues to pay an attractive shareholder dividend, McNerney said. In February, 3M increased its quarterly dividend for the 45th consecutive year. The company has paid dividends on its common stock without interruption for 87 years.

At the meeting, 3M shareholders elected the following four directors to the company's Board of Directors, for terms ending in 2006:

- Linda G. Alvarado, president and CEO, Alvarado Construction Inc.
- Edward M. Liddy, chairman, president and CEO, Allstate Corp.
- Robert S. Morrison, retired vice chairman, PepsiCo, and former chairman, president and CEO, Quaker Oats Co.
- Aulana L. Peters, retired partner, Gibson, Dunn & Crutcher LLP law firm and former SEC commissioner.

Shareholders also ratified the appointment of PricewaterhouseCoopers LLP as 3M's independent auditors for 2004. Shareholders approved a proposal that asks the board to obtain advance shareholder approval if the board decides to adopt a shareholder rights plan.

#### 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 consumer and office; display and graphics; electronics and telecommunications; health care; industrial; safety, security and protection services; transportation and other businesses. Headquartered in St. Paul, Minnesota, the company has operations in more than 60 countries and serves customers in nearly 200 countries. 3M 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/profile/pressbox/index.jhtml](http://www.3M.com/profile/pressbox/index.jhtml).

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