

3M CEO: Customer Dedication, Innovation Driving Solid Growth Momentum; Shareholders Elect Directors, Ratify Appointment of Auditors and Approve Increase in Authorized Shares

3M continues to deliver solid growth in sales, profit and cash flow while also maintaining a strong balance sheet, said W. James McNerney, Jr., chairman of the board and CEO, to approximately 3,500 people at the company's annual meeting of stockholders today in St. Paul.

"By any measure, 2003 was a tremendous year for 3M and the 3M team," McNerney said, "We can all take tremendous pride in last year's outstanding financial results, accomplished in a very difficult economic and geopolitical environment," McNerney added. "2003 was a year in which all of 3M gained momentum; and confidence in our future continued to build. The board reflected that confidence with its approval of the 2-for-1 stock split that took effect in September."

Consistent with 3M's time-honored legacy, relentless dedication to customer service and worldwide innovation are the keys to company's ongoing growth acceleration, McNerney said.

"In 2004, we're re-dedicating ourselves to hearing and valuing the voice of our customers as never before. We are increasingly viewed not just as product sellers, but as problem solvers - as a source of innovative solutions and a contributor to our customers' success." McNerney added, "New products are the engine of 3M growth - always have been and always will be," noting several examples:

-- Vikuiti display enhancement films, which make electronic displays in laptops, cell phones and TVs brighter, more colorful and more efficient.

-- Aldara (imiquimod) cream, 5%, an immune response modifier pharmaceutical that recently was approved as a treatment option for actinic keratosis, a pre-cancerous skin condition caused by sunlight, which affects as many as 10 million people in the United States alone.

-- 3M composite conductors, which can transmit more power than conventional overhead power lines, named by R&D Magazine as one of the 100 most technologically advanced products introduced in 2003.

McNerney praised 3M employees around the world for delivering the results under conditions of continued economic and geopolitical uncertainty. "While it's important to maintain a conservative economic outlook in our planning, we're confident in our ability to achieve our top-line and profitability goals along with strong cash flow and a healthy balance sheet," he said.

3M's solid growth momentum continues in 2004. First-quarter sales of nearly \$5 billion increased more than 14 percent compared to the first quarter 2003. In addition, operating income, earnings per share and free cash flow also increased at solid double-digit rates.

3M also continues to pay an attractive shareholder dividend, McNerney said. In February, 3M increased its quarterly dividend 9.1 percent, the 46th consecutive year of annual dividend increases. The company has paid dividends on its common stock without interruption for 88 years.

3M shareholders elected four directors to the company's Board of Directors, ratified the appointment of PricewaterhouseCoopers LLP as 3M's independent auditors, and approved an amendment to increase the

number of authorized shares of 3M common stock to 3 billion.

Elected to the board for terms that will expire in 2007 were:

-- Edward A. Brennan, 70, executive chairman of AMR Corporation, parent company of American Airlines

(Approved by 79 percent of shares voted)

-- Michael L. Eskew, 54, chairman of the board and chief executive officer, United Parcel Service, Inc.

(Approved by 97 percent of shares voted)

-- W. James McNerney, Jr., 54, chairman of the board and chief executive officer, 3M

(Approved by 80 percent of shares voted)

-- Kevin W. Sharer, 56, chairman of the board and chief executive officer, Amgen, Inc.

(Approved by 80 percent of shares voted)

The election of three board members was the subject of a recommended "withhold vote" by Institutional Shareholder Services (ISS), a proxy-advisory firm, which based their recommendation not on 3M's performance or the conduct of any of the board nominees, but solely on ISS' claim that the board "ignored" a majority vote on a previous stockholder proposal regarding "poison pills."

"Unfortunately, we believe ISS is wrong in this case and is at odds with the staff of the SEC, which concurred with our view that we had substantially implemented the 'poison pill' proposal," said Gregg Larson, assistant general counsel and secretary, 3M. "We agree that ISS has a right to advocate its preferred poison pill policy, but it should not confuse that position with a claim that our board was unresponsive to stockholder resolutions on poison pills in prior years," Larson said. "The board's policy is directly responsive. The ISS recommendation to withhold votes from directors who have done an excellent job is both mistaken and misguided."

Larson said that the 3M board responded properly to last year's proposal by adopting and reaffirming a policy originally adopted in 2002 in a board resolution. Under the policy, 3M will submit any poison pill to a stockholder vote unless the board, exercising its fiduciary duties, determines such a submission would not be in the stockholders' best interests under the circumstances.

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. Changes in such assumptions or factors, including without limitation the outcome of and information derived from pending Congressional action concerning asbestos-related litigation, could produce significantly different results.

About 3M - A Global, Diversified Technology Company

Every day, 3M people find new ways to make amazing things happen. Wherever they are, whatever they do, the

company's customers know they can rely on 3M to help make their lives better. 3M's brands include icons such as Scotch, Post-it, Scotchgard, Thinsulate, Scotch-Brite, Filtrete, Command and Dyneon. Serving customers in more than 200 countries around the world, the company's 67,000 people use their expertise, technologies and global strength to lead in major markets including consumer and office; display and graphics; electronics and telecommunications; safety, security and protection services; health care; industrial and transportation. For more information, including the latest product and technology news, visit www.3M.com.

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