

## **3M CEO Outlines Strategy for Growth; Company Will Focus on Innovation, International, Core Businesses and Complementary Acquisitions**

"The unique nature of 3M's business model lends power unseen elsewhere," said 3M chairman, president and CEO George W. Buckley as he outlined 3M's long-term strategy at an analyst conference at the Waldorf Astoria today.

Buckley, who joined 3M in December of last year, cited four main elements of strategic focus:

- Grow the current core business
- Complementary acquisitions to support both the core and expansion into adjacent markets
- Build new business via Emerging Business Opportunities (EBOs)
- Significantly increase investments in international opportunities

Buckley said the primary component of growing 3M's core is increased focus on existing customers. "We'll build first where 3M is strong, defend and expand market presence, and build size and scale," he said, "We will also grow through continuous invention and reinvention in our core businesses - the marketplace manifestations of 3M imagination and 3M innovation."

3M will also become more active in identifying and completing acquisitions to complement core businesses, usually in the form of smaller 'bolt-ons' to product lines or geographies. "In addition, acquisitions will help us enter adjacent markets and build business in new spaces more quickly," Buckley said.

Buckley announced the formation of several Emerging Business Opportunities (EBOs) - growth-oriented units to address commercial opportunities presented by the mega trends of society. "3M has enormous opportunity to flourish in high-growth spaces like track and trace, filtration, energy and minerals extraction, and food safety," Buckley said.

Buckley said international growth plans include doubling investments in the developing economies of Brazil, Russia, India, China and Poland in the years ahead. "International remains our single largest growth platform and we intend to invest to fully capitalize on opportunities around the world," he said.

Buckley also recognized the gains 3M has made in recent years to improve its operating effectiveness, saying that Six Sigma and other performance initiatives are now "part of the fabric of the company."

"The productivity gains have enabled 3M to now tilt the balance in favor of growth," Buckley said. "I am absolutely convinced that 3M can grow faster while preserving our historically superior margins."

On April 24, 3M reported record first-quarter sales and profits with local-currency sales growth of over 10 percent and an earnings per share increase of over 20 percent. The company also raised its 2006 revenue growth guidance, and now expects full-year, organic local-currency growth of between 5.5 and 8 percent, up from a previous full-year organic local-currency growth expectation of 4 to 7 percent.

Forward-Looking Statements

This news release 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," 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 the outcome of pending Congressional action concerning asbestos-related litigation and other significant developments that could occur in the legal and regulatory proceedings described in the company's Annual Report on Form 10K for the year-ended Dec. 31, 2005 (the "Report"). Changes in such assumptions or factors could produce significantly different results. A further description of these factors is located in the Report under Part I, Item 1A "Risk Factors." The information contained in this news release is as of the date indicated. The company assumes no obligation to update any forward-looking statements contained in this release as a result of new information or future events or developments.

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