

3M Reaches Agreements to Sell its Pharmaceuticals Business

3M (NYSE:MMM) announced today that it has entered into agreements to sell its global branded pharmaceuticals business for approximately \$2.1 billion in the following regions:

Graceway Pharmaceuticals Inc. has agreed to acquire 3M's pharmaceutical operations in the United States, Canada, and Latin America region for \$875 million.

Meda AB has agreed to acquire 3M's pharmaceutical business in Europe for \$857 million. The agreement will be implemented by each 3M subsidiary subject to compliance with third party notice and approval requirements. Ironbridge Capital and Archer Capital have agreed to acquire 3M's pharmaceutical operations in the Asia Pacific region, including Australia and South Africa for \$349 million.

The agreements are the result of a review of strategic options for the branded pharmaceuticals business and its immune response modifier (IRM) platform that 3M announced in April. Under the agreements, the purchasers will acquire regional marketing and intellectual property rights for 3M's well-known branded pharmaceuticals, including Aldara, Diffiam, Duromine, Tambocor, Maxair, Metrogel-Vaginal and Minitran. 3M's Drug Delivery Systems Division will be a source of supply to the acquiring companies for the products. As part of the transaction, Graceway Pharmaceuticals also will acquire the rights to certain IRM molecules.

"These are great brands and products, and we believe they will thrive in today's very competitive pharmaceutical marketplace under the direction of their new owners," said Brad Sauer, executive vice president, 3M Health Care. "I want to thank our employees for their outstanding contributions to our business and for delivering excellent service and quality to our valued customers."

There are approximately 1,050 employees in 3M's Pharmaceuticals Division worldwide. It is estimated that approximately 70 percent of those employees will receive employment opportunities with the acquiring companies.

3M Health Care, one of 3M's six major business segments, provides world-class innovative products and services to help health-care professionals improve the practice and delivery of patient care. 3M will continue to grow its vibrant Health Care businesses globally serving multiple market segments.

The transactions are scheduled to close in the fourth quarter, subject to customary closing conditions, including regulatory approvals, and in the case of Graceway Pharmaceuticals, and Ironbridge Capital and Archer Capital, the receipt of financing. 3M will record a gain related to the transactions, and in addition, will incur various restructuring charges as it continues to align to drive growth and improve productivity.

3M's financial advisor for the transactions was Goldman, Sachs & Co.

About Graceway Pharmaceuticals Inc.

Graceway Pharmaceuticals, Inc. ("Graceway"), headquartered in Bristol, Tennessee, is a pharmaceutical company focused on acquiring, in-licensing, and developing branded prescription pharmaceutical products. Chester Valley Pharmaceuticals, Inc. ("CVP"), based in Malvern, Pennsylvania, is a specialty pharmaceutical company focused on the dermatology therapeutic niche. Current prescription products marketed by CVP include Atopiclair Nonsteroidal Cream for atopic dermatitis and the Benziq family of products for acne.

About Meda AB

MEDA AB (publ) is a leading European specialty pharma company that concentrates on marketing and market-adapted product development. Acquisitions and long-term partnerships are fundamental factors that drive the company's strategy. Meda is represented in more than 24 countries and has about 900 employees within marketing and sales. The Meda share is quoted on the OMX Nordic Stock Exchange.

About Ironbridge Capital

Ironbridge Capital is a leading provider of private equity for growth businesses in the Australasian marketplace. Ironbridge is focused on investments in medium- to large-sized management buyout and expansion capital transactions headquartered in Australia and New Zealand. This will be the first investment in Ironbridge's recently raised A\$1.05bn Fund II.

About Archer Capital

Archer Capital is a leading Australian private equity manager specializing in management buyouts. The depth of its operational and general management experience is unique in the Australian private equity industry. A hands-on, operational focus characterizes its approach from assessing, actively managing and eventual realizing an investment opportunity.

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 Scotch, Post-it, Scotchgard, Thinsulate, Scotch-Brite, Filtrete, Command and Vikuiti. Serving customers in more than 200 countries around the world, the people of 3M 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.

Aldara, Diffiam, Duromine, Tambocor, Maxair, Metrogel-Vaginal, Minitran, Scotch, Post-it, Scotchgard, Thinsulate, Scotch-Brite, Filtrete, Command and Vikuiti are trademarks of 3M.

Atopiclair and Benziq are trademarks of Graceway Pharmaceuticals.

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