

## 3M to Acquire Arizant Inc.

### Acquisition Expands Infection Prevention Product Portfolio

3M announced today it has entered into a definitive agreement to acquire Arizant Inc. for a purchase price of \$810 million in cash. Based in Eden Prairie, Minn., Arizant is a leading manufacturer of patient warming solutions designed to prevent hypothermia in surgical settings.

“Patient warming is a highly strategic adjacency for our business and integral to infection prevention,” said Debra Rectenwald, president and general manager, 3M Infection Prevention Division. “In addition to Arizant’s market-leading products, its rich intellectual property portfolio and solid technology platforms expand 3M’s infection prevention offerings and will help to drive growth internationally, as well as provide a platform of innovative wound care technologies.”

Arizant created the category of forced-air patient warming with the introduction of Bair Hugger® therapy in 1987. The global opportunity for patient warming is approximately \$1 billion, with the forced-air warming category expected to grow at about 10 percent per year.

Today, Arizant products help maintain normal body temperature, known as normothermia, in more than 20 million surgical patients annually as part of an effort to help prevent surgical site infections and other serious complications associated with surgical hypothermia. Numerous clinical studies demonstrate the effectiveness of these products to reduce the incident rates of hypothermia. Arizant’s normothermia technology also has applications in wound healing and will augment 3M’s technology base in this market as well.

Fueled by the success of Bair Hugger therapy, Arizant has continuously displayed its dedication to innovation through other ground-breaking temperature management products, including the Bair Paws® patient adjustable warming system, the world’s first warming gown designed for perioperative use, and the Ranger® blood and fluid warming systems, a market leader in dry-heat blood and fluid warming.

3M’s infection prevention business helps hospitals reduce healthcare-associated infections. Its wide variety of products and systems for controlling the risk of infection includes applications for sterilization and monitoring, hand hygiene, perioperative preps, and surgical drapes.

“Arizant and 3M together are a natural fit,” said Gary Maharaj, president and CEO, Arizant. “Arizant’s product development and commercialization capabilities will draw on the strength of 3M’s global resources in healthcare and its deep technology expertise to provide solutions that help prevent perioperative hypothermia around the world.”

Maharaj further said, “As we prepare for this new chapter, we also appreciate the guidance of Court Square, our lead investor. Their deep understanding of our business and industry helped us successfully execute on our growth strategy over the past several years and apply our unique technologies to this important market.”

On a GAAP reported basis, 3M estimates the acquisition to be \$0.03 dilutive to earnings in the first 12 months following completion of the transaction. Excluding purchase accounting adjustments and anticipated integration expenses, 3M estimates the acquisition to be neutral to earnings over the same period. First year EBITDA, excluding purchase accounting and integration costs, is expected to be approximately 35 percent-to-sales.

Arizant employs 375 people in the U.S., United Kingdom, Germany, France, Spain, Austria, Belgium and Japan. Sales for 2010 are expected to be approximately \$200 million. The transaction is expected to be completed in

the fourth quarter, subject to customary closing conditions and regulatory approvals.

Arizant is majority-owned by Court Square Capital, a private equity firm based in New York.

Piper Jaffray & Co. served as exclusive financial advisor to Arizant in this transaction.

#### Forward-Looking Statements

This news release 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," "project," "intend," "plan," "believe," "will," "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; (2) the Company'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 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; and (9) legal proceedings, including significant developments that could occur in the legal and regulatory proceedings described in the company's Annual Report on Form 10-K for the year ended December 31, 2009 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 "Risk Factors" in Part I, Item 1A (Annual Report) and in Part II, Item 1A (Quarterly Report). 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 news release as a result of new information or future events or developments.

#### About Arizant Inc.

Arizant, headquartered in Eden Prairie, Minn., is the maker of surgical patient temperature management systems including Bair Hugger® therapy, the Bair Paws® patient adjustable warming system, and the Ranger® blood and fluid warming systems. Arizant created the category of forced-air warming, which is the preferred method of warming surgical patients in the U.S.

#### About Court Square Capital

Court Square Capital is one of the most experienced private equity firms in the industry. Since 1980, the group has invested in over 170 transactions across a wide array of sectors including: healthcare, aerospace & defense, industrials, business services, technology, media and travel. Court Square Capital currently manages over \$4 billion of aggregate capital commitments and is based in New York, NY. For more information please refer to Court Square's website at [www.courtsquare.com](http://www.courtsquare.com)

#### About 3M Infection Prevention

3M Infection Prevention Division is truly on a mission to help reduce healthcare-associated infections through its infection prevention solutions. With its system of people, products and processes, 3M remains a trusted partner committed to helping hospitals reduce the risk of infections, improve patient outcomes, and control their bottom lines. Learn more at [www.3m.com/infectionprevention](http://www.3m.com/infectionprevention)

## About 3M

A recognized leader in research and development, 3M produces thousands of innovative products for dozens of diverse markets. 3M's core strength is applying its more than 40 distinct technology platforms – often in combination – to a wide array of customer needs. With \$23 billion in sales, 3M employs 75,000 people worldwide and has operations in more than 65 countries. For more information, visit [www.3M.com](http://www.3M.com) or follow @3MNews on Twitter.

Bair Hugger, Bair Paws and Ranger are registered trademarks of Arizant.

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