

3M to Acquire the Business of Federal Signal Technologies Group

Acquisition Expands 3M's Traffic Solutions into Adjacent Electronic Tolling Industry

3M announced today that it has entered into an agreement to acquire the business of Federal Signal Technologies Group (FSTech) from Federal Signal Corp., for a purchase price of \$110 million in cash, subject to post-closing adjustments. FSTech focuses on electronic toll collection and parking management hardware and software services.

The fast-growing \$3 billion electronic tolling industry is projected to grow at a rate greater than 12 percent per year as government agencies increasingly rely on tolling to fund roadway infrastructure, construction and maintenance. FSTech's solutions for electronic tolling, vehicle identification and classification, toll management software, license plate recognition, and parking lot fare collection systems, combined with 3M's traffic management solutions, will advance the tolling and parking industry enabling seamless fare collection wherever motorists drive.

"Electronic tolling and parking are key adjacencies to 3M's offering for motor vehicle systems and services," said John Houle, vice president and general manager, 3M Traffic Safety Systems Division. "FSTech will complement 3M's offerings for the Department of Transportation, the Department of Motor Vehicles, toll authorities, and law enforcement agencies, and expand on our core traffic products for motor vehicles and roadways, and license plate validation materials."

For more than 70 years 3M has delivered traffic products, systems and services for transportation safety, traffic management, vehicle registration and commercial transportation markets. FSTech's technologies come from its five business units: IDRIS – vehicle detection and classification solution; PIPS – fixed and mobile automatic license plate reading hardware and software; Federal APD – parking management and fare collection solutions; Sirit – active and passive RFID transponders and readers; and VESystems – toll account management and violation processing software and services.

"3M's expertise and innovation in the traffic industry make it a natural choice to continue to build this important business for our customers and for drivers everywhere," said Dan McGurran, director, 3M Motor Vehicle Systems and Services.

On a GAAP reported basis, 3M estimates the acquisition to be \$0.02 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.

FSTech employs approximately 500 people and has primary facilities in Arizona, California, Illinois, Michigan, Missouri, North Carolina, Tennessee, Texas, Hong Kong, Dubai and the U.K. The transaction is expected to be completed in the second half of 2012, subject to customary approvals and closing conditions.

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 and other factors beyond the Company's control, including natural and other disasters affecting the operations of the Company or its customers and suppliers; (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 market 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; (9) security breaches and other disruptions to the Company's information technology infrastructure; and (10) 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, 2011 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 "Cautionary Note Concerning Factors That May Affect Future Results" and "Risk Factors" in Part I, Items 1 and 1A (Annual Report) and in Part I, Item 2 and 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 Federal Signal

Federal Signal Technologies Group is a division of Federal Signal Corp. (NYSE: FSS). Federal Signal Corp. enhances the safety, security and well-being of communities and workplaces around the world. Founded in 1901, Federal Signal is a leading global designer and manufacturer of products and total solutions that serve municipal, governmental, industrial and transportation customers and markets. Headquartered in Oak Brook, IL, with manufacturing facilities worldwide, the company operates four groups: Safety and Security Systems, Environmental Solutions, Fire Rescue, and Federal Signal Technologies. For more information on Federal Signal, please visit: www.federalsignal.com.

About 3M

3M captures the spark of new ideas and transforms them into thousands of ingenious products. Our culture of creative collaboration inspires a never-ending stream of powerful technologies that make life better. 3M is the innovation company that never stops inventing. With \$30 billion in sales, 3M employs 84,000 people worldwide and has operations in more than 65 countries. For more information, visit www.3M.com or follow @3MNews on Twitter.

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