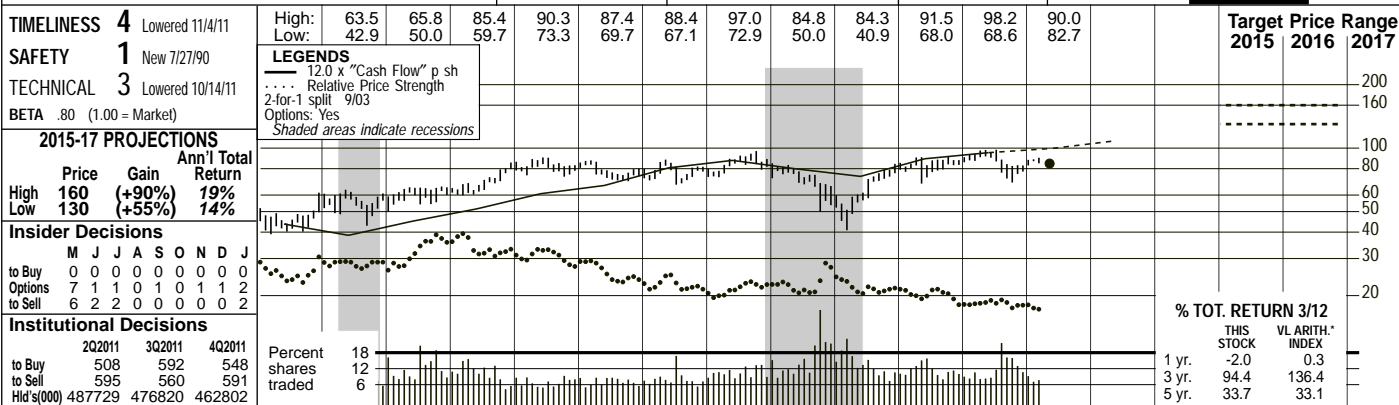


3M COMPANY NYSE-MMM

RECENT PRICE **84.58** P/E RATIO **13.7** (Trailing: 14.2; Median: 16.0) RELATIVE P/E RATIO **0.91** DIV'D YLD **2.8%** **VALUE LINE**



1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
17.08	18.62	18.69	19.64	21.11	20.55	20.94	23.25	25.45	28.05	31.21	34.49	36.43	32.54	37.45	42.61	44.40	46.95	Sales per sh	63.30
2.88	3.08	2.98	3.27	3.64	3.22	3.75	4.29	5.07	5.55	6.71	7.29	6.65	6.12	7.43	7.94	8.30	9.05	"Cash Flow" per sh	12.15
1.82	1.94	1.87	2.11	2.32	1.79	2.50	3.02	3.75	4.12	5.06	5.60	4.89	4.52	5.75	5.96	6.30	6.95	Earnings per sh ^A	9.80
.96	1.06	1.10	1.12	1.16	1.20	1.24	1.32	1.44	1.68	1.84	1.92	2.00	2.04	2.10	2.20	2.36	2.52	Div's Decl'd per sh ^B	3.65
1.33	1.74	1.78	1.30	1.41	1.25	.98	.86	1.19	1.25	1.59	2.01	2.12	1.27	1.53	1.98	2.15	2.20	Cap'l Spending per sh	2.85
7.54	7.32	7.38	7.89	8.24	7.78	7.68	10.06	13.20	13.39	13.56	16.56	14.24	17.96	22.00	22.19	25.75	30.00	Book Value per sh	47.35
833.67	809.45	803.85	797.42	792.17	782.61	779.96	784.12	786.29	754.54	734.36	709.16	693.54	710.60	711.98	694.97	690.00	687.00	Common Shs Outst'g ^C	680.00
19.2	23.6	22.3	20.8	19.9	31.1	24.4	22.8	21.9	18.9	15.2	15.0	14.6	14.1	14.5	14.5	14.5	14.5	Avg Ann'l P/E Ratio	15.0
1.20	1.36	1.16	1.19	1.29	1.59	1.33	1.30	1.16	1.01	.82	.80	.88	.94	.92	.91	.92	.91	Relative P/E Ratio	1.00
2.8%	2.3%	2.6%	2.6%	2.5%	2.2%	2.0%	1.9%	1.8%	2.2%	2.4%	2.3%	2.8%	3.2%	2.5%	2.5%	2.5%	2.5%	Avg Ann'l Div'd Yield	2.5%

CAPITAL STRUCTURE as of 12/31/11		2009	2010	12/31/11	2009	2010	12/31/11	2009	2010	12/31/11	2009	2010	12/31/11	2009	2010	12/31/11	2009	2010	12/31/11	2009	2010	12/31/11
Total Debt \$5166 mill.	Due in 5 Yrs \$4069 mill.	16332	18232	20011	21167	22923	24462	25269	23123	26662	29611	30620	32240	Sales (\$mill)	43055							
LT Debt \$4484 mill.	LT Interest \$180 mill.	24.5%	26.5%	30.6%	31.1%	32.3%	29.7%	25.2%	25.8%	26.4%	25.0%	24.8%	25.6%	Operating Margin	26.3%							
(23% of Capital)		954.0	964.0	999.0	986.0	1079.0	1072.0	1153.0	1157.0	1120.0	1236.0	1295	1355	Depreciation (\$mill)	1515							
Uncapitalized leases \$155 mill.	Pension Assets-12/11 \$16.7 bill.	1974.0	2403.0	2990.0	3199.0	3851.0	4096.0	3460.0	3193.0	4169.0	4283.0	4425	4860	Net Profit (\$mill)	6760							
Oblig. \$19.8 bill.		32.1%	32.9%	33.0%	34.7%	30.6%	33.9%	33.4%	32.2%	26.2%	27.8%	28.0%	27.8%	Income Tax Rate	30.0%							
Preferred Stock None		12.1%	13.2%	14.9%	15.1%	16.8%	16.7%	13.7%	13.8%	15.6%	14.5%	14.5%	15.1%	Net Profit Margin	15.7%							
Common Stock 694,970,041 shares		1602.0	2638.0	2649.0	1877.0	1623.0	4476.0	3759.0	5898.0	6126.0	6799.0	7840	8420	Working Cap'l (\$mill)	11220							
MARKET CAP: \$58.8 billion (Large Cap)		2140.0	1735.0	727.0	1309.0	1047.0	4019.0	5166.0	5097.0	4183.0	4484.0	4545	4620	Long-Term Debt (\$mill)	4970							
		5993.0	7885.0	10378	10100	9959.0	11747	9879.0	12764	15663	15420	17765	20595	Shr. Equity (\$mill)	32190							
		25.1%	25.5%	27.3%	28.5%	35.4%	26.6%	23.6%	18.4%	21.5%	22.0%	20.0%	19.5%	Return on Total Cap'l	18.5%							
		32.9%	30.5%	28.8%	31.7%	38.7%	34.9%	35.0%	25.0%	26.6%	27.8%	25.0%	23.5%	Return on Shr. Equity	21.0%							
		16.8%	17.4%	18.0%	18.9%	24.9%	23.1%	20.9%	13.8%	17.0%	17.7%	15.5%	15.0%	Retained to Com Eq	13.5%							
		49%	43%	38%	40%	36%	34%	40%	45%	36%	36%	37%	36%	All Div'ds to Net Prof	36%							

BUSINESS: 3M Company is a diversified manufacturer and technology company with operations in more than 65 countries. It is a leader in many of the geographic markets it serves. The conglomerate currently operates six segments: Industrial & Transportation (33.5% of 2011 sales); Health Care (16.7%); Display & Graphics (12.2%); Consumer & Office (13.8%); Safety, Security & Protection (12.7%); and Electro & Communications (11.0%). 2011 R&D: \$1.6 billion, 5.3% of sales. Employs about 84,200. Officers & directors own less than 1.0% of common stock; State Street 7.5%; BlackRock, 5.3% (3/12 proxy). Chairman, President & CEO: George W. Buckley. Incorporated: DE. Address: 3M Center, St. Paul, MN 55144. Telephone: 651-733-1110. Internet: www.3m.com.

ANNUAL RATES		Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17	
of change (per sh)		6.5%	6.0%	10.5%	
Sales		8.0%	4.5%	10.5%	
"Cash Flow"		10.0%	4.5%	12.0%	
Earnings		6.0%	5.0%	10.0%	
Dividends		10.0%	9.0%	16.5%	
Book Value					

Cal-endar	QUARTERLY SALES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	5089	5719	6193	6122	23123
2010	6348	6731	6874	6709	26662
2011	7311	7680	7531	7089	29611
2012	7480	7780	7830	7530	30620
2013	7875	8190	8245	7930	32240

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	.73	1.12	1.37	1.30	4.52
2010	1.40	1.54	1.53	1.28	5.75
2011	1.49	1.60	1.52	1.35	5.96
2012	1.49	1.65	1.69	1.47	6.30
2013	1.61	1.87	1.87	1.60	6.95

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2008	.50	.50	.50	.50	2.00
2009	.51	.51	.51	.51	2.04
2010	.525	.525	.525	.525	2.10
2011	.55	.55	.55	.55	2.20
2012	.59	.59	.59	.59	2.36

3M Company is set to post decent earnings growth this year. The economic domestic recovery is struggling to gain traction, and conditions in Europe appear to be worsening. Too, the robust growth experienced in emerging markets appears to be waning. As a result, we think the top line will only expand 3% this year. Cost-management and productivity-improvement efforts, as well as ongoing buybacks, should help spur share earnings growth, but, at this point, it seems an advance of just 6% is in the cards. **The board significantly increased the dividend,** adding to this issue's appeal as a top holding for conservative, income-oriented investors. We were looking for a hike of 5%, which we thought was aggressive given the lackluster bottom-line performances turned in of late. Management decided to raise the quarterly payout by 7%, to \$0.59 a share, however, citing "confidence in the company's future" and strong cash flow generation. It is also worth noting that 3M has a long track record of boosting the dividend and returning cash to shareholders through share repurchases. Indeed, the company, which has raised the annual payout 54 years in a row now and has paid dividends without interruption for more than 95 years, has returned more \$14.8 billion to shareholders over the past five years. **This issue is untimely.** Recent share-price momentum has been weak, especially when compared to the broader market average. Moreover, earnings advances have been lackluster over the past few quarters. All told, we recommend that momentum chasers look elsewhere for now. **The stock is a solid long-term holding, though.** We are looking for robust annual profit growth over the 3- to 5-year haul. This, coupled with the average-average dividend yield, translates into good (and well-defined) total-return potential. **This blue chip is also a solid pick for the conservative crowd.** 3M's Financial Strength is A++, thanks to its solid balance sheet and its ability to generate lots of cash. The equity's Beta coefficient is .80, which implies below-average volatility. When taking both of these qualities into account, it is easy to see why MMM stock is ranked 1 (Highest) for Safety. Erik A. Antonson April 20, 2012