

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report: January 20, 2004  
(Date of earliest event reported)



**3M COMPANY**

(Exact name of registrant as specified in its charter)

File No. 1-3285  
(Commission File Number)

Delaware  
(State of incorporation)

41-0417775  
(I.R.S. Employer  
Identification Number)

3M Center  
St. Paul, Minnesota

55144-1000  
(Zip Code)

(Address of principal executive offices)

Registrant's telephone, including area code:  
(651) 733-1110

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ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On January 20, 2004, 3M Company issued a press release reporting its sales and earnings results for fourth quarter ended December 31, 2003 and full year 2003 (furnished hereunder as Exhibit 99.1).

The information contained in this Current Report shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into a filing under the Securities Act of 1933, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

In addition to disclosing results that are determined in accordance with U.S. generally accepted accounting principles (GAAP), the company also discloses non-GAAP results that exclude special items. The company will continue to provide reconciliations of its disclosed non-GAAP financial reporting to the most comparable GAAP reporting. The company believes that discussion of results excluding special items provides a useful analysis of ongoing operating trends. Special items represent significant charges or credits that are important to an understanding of the company's ongoing operations. Earnings per share and other amounts before special items are not measures recognized under U.S. generally accepted accounting principles. The determination of special items may not be comparable to similarly titled measures used by other companies.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

3M COMPANY

By: /s/ Gregg M. Larson  
Gregg M. Larson,  
Secretary

Dated: January 20, 2004

Exhibit  
Number

Description

99.1

Press Release dated January 20, 2004, of 3M Company  
(furnished pursuant to Item 12 hereof).

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FOR IMMEDIATE RELEASE

**3M Reports Record Fourth-Quarter and Full-Year Sales and Earnings;****Company Raises Earnings Estimates For 2004**

ST. PAUL, Minn. — Jan. 20, 2004 — 3M (NYSE: MMM) today announced its sales and earnings results for fourth quarter and full year 2003.

Net income for the quarter was \$619 million, or \$0.77 per share, versus \$511 million, or \$0.65 per share, in the fourth quarter of 2002. Net income and per-share earnings increased 21.3 percent and 18.5 percent, respectively.

“Solid execution of both growth and productivity plans characterized the fourth quarter,” said W. James McNerney, Jr., 3M chairman and CEO. “Sales reached an all-time high for the fourth consecutive quarter and earnings per share were the highest of any fourth quarter in 3M’s history. It was a strong finish to the year.”

Worldwide sales totaled \$4.718 billion, up 14.0 percent compared to the fourth quarter of 2002. Sales volumes increased 7.6 percent, including a positive 1.7 percent impact from acquisitions. Volumes improved in all businesses, with an increase of 38.4 percent in Display and Graphics (includes 11.5 percent from acquisitions), 8.2 percent in Safety, Security and Protection Services, 2.6 percent in Transportation, 2.4 percent in Health Care, 2.2 percent in Industrial, 1.7 percent in Consumer and Office and 1.6 percent in Electro and Communications. Currency translation effects increased worldwide sales by 6.6 percent, while selling prices were down 0.2 percent.

Sales outside the United States totaled \$2.849 billion, an increase of 23.9 percent versus last year’s comparable quarter. Volumes increased 12.8 percent, while selling prices declined 0.8 percent. Currency translation effects increased international sales by 11.9 percent. Volumes increased 28.7 percent in Asia Pacific and 23.3 percent in Latin America, while European volumes declined 1.4 percent. In the United States, sales totaled \$1.869 billion, up 1.6 percent from the same quarter of 2002. Volumes increased 1.1 percent, while selling prices improved by 0.5 percent.

Net income for the 2003 calendar year totaled \$2.403 billion, or \$3.02 per share, compared with \$1.974 billion, or \$2.50 per share, in 2002. Excluding special items (a), 2003 net income totaled \$2.461 billion, or \$3.09 per share; full-year net income and per-share earnings increased 18.2 percent and 17.5 percent, respectively. Full-year 2003 sales totaled \$18.232 billion, up 11.6 percent in U.S. dollars. Volumes improved 6.6 percent versus the prior year, while selling prices declined 0.2 percent. Currency effects increased 2003 sales by 5.2 percent.

“Despite economic challenges in many parts of the world, the 3M team delivered a challenging operating plan in 2003,” McNerney said, “and we are well-positioned for another successful year in 2004. Our corporate initiatives, now embedded in the 3M fabric, are helping to drive improvements in productivity, cash flow and, most importantly, top-line growth.”

3M also raised its full-year 2004 earnings estimates. The company expects earnings to be in the range of \$3.46 to \$3.52 per share, an increase of 12 to 14 percent excluding special items in 2003.

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Sales volumes are anticipated to grow between 5 percent and 8 percent in 2004. For the first quarter of 2004, the company expects earnings to be in the range of \$0.80 to \$0.82 per share.

McNerney and Patrick D. Campbell, senior vice president and chief financial officer, will conduct an investor teleconference at 9 a.m. Eastern Time (8 a.m. Central) today. Investors can access a webcast of this conference, along with related charts and materials, at <http://investor.3m.com/>.

(a) During the first quarter of 2003, 3M recorded pretax charges of \$93 million (\$58 million after-tax) related to an adverse court ruling in a lawsuit filed against 3M in 1997 by LePage’s Inc. During the second quarter of 2002, under its previously announced restructuring plan, 3M incurred pretax charges of \$148 million (\$73 million after-tax) primarily related to employee separation costs and accelerated depreciation charges. The company incurred similar charges in the first quarter of 2002 that totaled \$54 million pre-tax (\$35 million after-tax).

**Forward-Looking Statements**

This news release contains forward-looking statements that reflect current views and estimates of 3M’s management of future economic circumstances, industry conditions, company performance and financial results. The statements are based on many assumptions and factors including: (1) worldwide economic conditions; (2) foreign currency exchange rates and fluctuations in those rates; (3) the timing and acceptance of new product offerings; (4) purchased components and materials, including shortages and increases in the costs of such components and materials; (5) 3M’s ability to successfully manage acquisitions, divestitures and strategic alliances; and (6) legal proceedings. Changes in such assumptions or factors, including without limitation the outcome of and information derived from pending Congressional action concerning asbestos-related litigation, could produce significantly different results.

**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 icons such as Scotch, Post-it, Scotchgard, Thinsulate, Scotch-Brite, Filtrete, Command and Dyneon. Serving customers in more than 200 countries around the world, the company’s 67,000 people 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.

Scotch, Post-it, Scotchgard, Thinsulate, Scotch-Brite, Filtrete, Command and Dyneon are trademarks of 3M.

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3M Company and Subsidiaries  
**SALES CHANGE ANALYSIS**  
(Unaudited)

	Worldwide	Fourth-Quarter 2003 U.S.	Intl.
Volume – core	5.9%	0.0%	10.7%
Volume – acquisitions	1.7	1.1	2.1
Volume – total	7.6	1.1	12.8

Price	(0.2)	0.5	(0.8)
Translation	6.6	--	11.9
Total	14.0%	1.6%	23.9%
		Twelve-Months 2003	
	Worldwide	U.S.	Intl.
Volume – core	4.7%	0.6%	8.2%
Volume – acquisitions	1.9	1.5	2.2
Volume – total	6.6	2.1	10.4
Price	(0.2)	0.0	(0.3)
Translation	5.2	--	9.5
Total	11.6%	2.1%	19.6%

3M Company and Subsidiaries  
**CONSOLIDATED STATEMENT OF INCOME**  
(Amounts in millions, except per-share amounts)  
(Unaudited)

	Three-months ended December 31		Twelve-months ended December 31	
	2003	2002	2003	2002
Net sales	\$ 4,718	\$ 4,138	\$ 18,232	\$ 16,332
Operating expenses				
Cost of sales	2,429	2,114	9,285	8,496
Selling, general and administrative expenses	1,061	955	4,039	3,720
Research, development and related expenses	286	273	1,102	1,070
Other expense	—	—	93	—
Total	3,776	3,342	14,519	13,286
Operating income	942	796	3,713	3,046
Interest expense and income				
Interest expense	15	22	84	80
Interest income	(11)	(12)	(28)	(39)
Total	4	10	56	41
Income before income taxes and minority interest	938	786	3,657	3,005
Provision for income taxes	305	255	1,202	966
Minority interest	14	20	52	65
Net income	\$ 619	\$ 511	\$ 2,403	\$ 1,974
Weighted average common shares outstanding - basic	784.6	780.6	782.8	780.0
Earnings per share – basic	\$ 0.79	\$ 0.65	\$ 3.07	\$ 2.53
Weighted average common shares outstanding – diluted	800.9	791.3	795.3	791.0
Earnings per share – diluted	\$ 0.77	\$ 0.65	\$ 3.02	\$ 2.50
Cash dividends paid per common share	\$ 0.33	\$ 0.31	\$ 1.32	\$ 1.24

Share and per-share data have been adjusted to reflect the two-for-one stock split effective with third quarter 2003 reporting.

	Twelve-months ended December 31, 2003			Twelve-months ended December 31, 2002		
	Excluding special items	Special items	Reported total	Excluding special items	Special items	Reported total
Net sales	\$ 18,232	\$ —	\$ 18,232	\$ 16,332	\$ —	\$ 16,332
Operating expenses						
Cost of sales	9,285	—	9,285	8,375	121	8,496
Selling, general and administrative expenses	4,039	—	4,039	3,643	77	3,720
Research, development and related expenses	1,102	—	1,102	1,066	4	1,070
Other expense	—	93	93	—	—	—
Total	14,426	93	14,519	13,084	202	13,286
Operating income (loss)	3,806	(93)	3,713	3,248	(202)	3,046
Interest expense and (income), net	56	—	56	41	—	41
Income (loss) before income taxes and minority interest	3,750	(93)	3,657	3,207	(202)	3,005
Provision (benefit) for income taxes	1,237	(35)	1,202	1,042	(76)	966
Effective tax rate	33.0%	—	32.9%	32.5%	—	32.1%
Minority interest	52	—	52	83	(18)	65
Net income (loss)	\$ 2,461	\$ (58)	\$ 2,403	\$ 2,082	\$ (108)	\$ 1,974
Weighted average diluted shares	795.3	795.3	795.3	791.0	791.0	791.0
Net income per diluted share	\$ 3.09	\$ (0.07)	\$ 3.02	\$ 2.63	\$ (0.13)	\$ 2.50

Share and per-share data have been adjusted to reflect the two-for-one stock split effective with third quarter 2003 reporting.

3M Company and Subsidiaries  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
(Dollars in millions, except per-share amounts)  
(Unaudited)

	Dec. 31, 2003	Dec. 31, 2002
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 1,836	\$ 618
Accounts receivable – net	2,714	2,527
Inventories	1,816	1,931
Other current assets	1,347	983
Total current assets	7,713	6,059
Investments	218	238
Property, plant and equipment – net	5,609	5,621
Other assets	4,053	3,411
Total assets	\$ 17,593	\$ 15,329
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Short-term debt	\$ 1,202	\$ 1,237
Accounts payable	1,087	945
Payroll	436	411
Income taxes payable	880	518
Other current liabilities	1,477	1,346
Total current liabilities	5,082	4,457
Long-term debt	1,735	2,140
Other liabilities	2,910	2,739

Total liabilities	9,727	9,336
Total stockholders' equity – net	7,866	5,993
Shares outstanding		
December 31, 2003: 784,117,360 shares		
December 31, 2002: 780,391,362 shares		
Total liabilities and stockholders' equity	\$ 17,593	\$ 15,329

Shares outstanding have been adjusted to reflect the two-for-one stock split effective with third quarter 2003 reporting.

3M Company and Subsidiaries  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
(Dollars in millions)(Unaudited)

	Three-months ended December 31		Twelve-months ended December 31	
	2003	2002	2003	2002
<b>SUMMARY OF CASH FLOW:</b>				
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 1,286	\$ 999	\$ 3,793	\$ 2,992
Cash flows from investing activities:				
Purchases of property, plant and equipment	(261)	(233)	(677)	(763)
Acquisitions of businesses	(11)	(1,170)	(439)	(1,258)
Other investing activities	19	42	127	94
NET CASH USED IN INVESTING ACTIVITIES	(253)	(1,361)	(989)	(1,927)
Cash flows from financing activities:				
Change in debt	(68)	427	(440)	445
Purchases of treasury stock	(291)	(129)	(685)	(942)
Reissuances of treasury stock	130	96	555	522
Dividends paid to stockholders	(259)	(243)	(1,034)	(968)
Other financing activities	(4)	--	(23)	(78)
NET CASH USED IN FINANCING ACTIVITIES	(492)	151	(1,627)	(1,021)
Effect of exchange rate changes on cash	16	8	41	(42)
Net increase (decrease) in cash and cash equivalents	557	(203)	1,218	2
Cash and cash equivalents at beginning of period	1,279	821	618	616
Cash and cash equivalents at end of period	1,836	618	1,836	618
FREE CASH FLOW (Non-GAAP measure):				
Net cash provided by operating activities	1,286	999	3,793	2,992
Purchases of property, plant and equipment	(261)	(233)	(677)	(763)
FREE CASH FLOW	1,025	766	3,116	2,229

3M Company and Subsidiaries  
**BUSINESS SEGMENTS**  
(Dollars in millions)  
(Unaudited)

**BUSINESS SEGMENT INFORMATION**

