3M CO

FORM 10-K405

(Annual Report (Regulation S-K, item 405))

Filed 03/06/95 for the Period Ending 12/31/94

Address	3M CENTER BLDG. 220-11W-02 ST PAUL, MN 55144-1000
Telephone	6517332204
CIK	0000066740
Symbol	MMM
SIC Code	3841 - Surgical and Medical Instruments and Apparatus
Industry	Constr. - Supplies & Fixtures
Sector	Capital Goods
Fiscal Year	12/31

3M CO

FORM 10-K405
(Annual Report (Regulation S-K, item 405))

Filed 3/6/1995 For Period Ending 12/31/1994

Address	3M CENTER BLDG. 220-11W-02
	ST PAUL, Minnesota 55144-1000
Telephone	651-733-2204
CIK	0000066740
Industry	Conglomerates
Sector	Conglomerates
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the year ended December 31, 1994

Commission file number 1-3285

MINNESOTA MINING AND MANUFACTURING COMPANY

State of Incorporation: Delaware
I.R.S. Employer Identification No. 41-0417775

Executive offices: 3M Center, St. Paul, Minnesota 55144
Telephone number: (612) 733-1110

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	Name of each exchange on which registered
Common Stock, Without Par Value	New York Stock Exchange
	Pacific Stock Exchange
	Chicago Stock Exchange

Note: The common stock of the registrant is also traded on the Amsterdam Stock Exchange, German stock exchanges, Swiss stock exchanges, the Paris Stock Exchange and the Tokyo Stock Exchange.

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X . No .

Indicate by check mark if disclosure of delinquent filers pursuant to

Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

The aggregate market value of voting stock held by nonaffiliates of the registrant, based on the closing price of $52.38 per share as reported on the New York Stock Exchange-Composite Index on January 31, 1995, was $22.0 billion.

Shares of common stock outstanding at January 31, 1995: 419,796,244.

DOCUMENTS INCORPORATED BY REFERENCE

Parts of the following documents are incorporated by reference in Parts III and IV of this Form 10-K: (1) Proxy Statement for registrant's 1995 annual meeting, (2) Form 10-Q for period ended June 30, 1987, and (3) Registration Nos. 33-29329, 33-48089 and 33-49842.
This document contains 45 pages.

MINNESOTA MINING AND MANUFACTURING COMPANY

FORM 10-K

For the Year Ended December 31, 1994

PART I

Item 1. Business.
Minnesota Mining and Manufacturing Company was incorporated in 1929 under the laws of the State of Delaware to continue operations, begun in 1902, of a Minnesota corporation of the same name. As used herein, the term "3M" includes Minnesota Mining and Manufacturing Company and subsidiaries unless the context otherwise indicates. At December 31, 1994, the company employed 85,166 persons.

3M is an integrated enterprise characterized by substantial interdivision and intersector cooperation in research, manufacturing and marketing of products incorporating similar component materials manufactured at common internal sources. Its business has developed from its research and technology in coating and bonding for coated abrasives, its only product in its early years. Coating and bonding is the process of applying one material to another, such as adhesives to a backing (pressure-sensitive tapes), abrasive granules to paper or cloth (coated abrasives), ceramic coating to granular mineral (roofing granules), heat-sensitive or light-sensitive materials to paper, film and metal (dry silver paper, photographic film and lithographic plates), iron oxide to plastic backing (magnetic recording tape), glass beads to plastic backing (reflective sheeting), and low tack adhesives to paper (repositionable notes).

3M believes that it is among the leading producers of products for many of the markets it serves. In all cases, 3M products are subject to direct or indirect competition. Generally speaking, most 3M products involve technical competence in development, manufacturing and marketing and are subject to competition with products manufactured and sold by other technically-oriented companies.

3M's three business sectors are: Industrial and Consumer; Information, Imaging and Electronic; and Life Sciences. Each sector brings together common or related 3M technologies and thus provides greater opportunity for the future development of products and services and a more efficient sharing of business strengths.

The notes to consolidated financial statements on pages 32 and 33 of this Form 10-K provide financial information concerning 3M's three industry segments and 3M's operations in various geographic areas of the world.

Industry Segments

3M's operations are organized into three business sectors. These sectors have worldwide responsibility for virtually all 3M product lines. A few miscellaneous and staff-sponsored new products, still in development, are not assigned to the sectors.

Industrial and Consumer Sector: This sector is a leader in developing the technologies for pressure-sensitive adhesives, specialty tapes, coated and nonwoven abrasives, and specialty chemicals. These core technologies provide a strong basis for the development of new products. The sector also has strong distribution channels and logistics expertise. The sector is organized into five groups: Abrasive, Chemical and Film Products; Automotive Systems; Consumer Markets; Office Markets; and Tape.

Major products in the Abrasive, Chemical and Film Products Group include coated abrasives (such as sandpaper) for grinding, conditioning and finishing a wide range of surfaces; natural and color-coated mineral granules for asphalt shingles; finishing compounds; and flame-retardant materials. This group also markets products for maintaining and repairing vehicles. Major chemical products include protective chemicals for furniture, fabrics and paper products; fire-fighting agents; fluoroelastomers for seals, tubes and gaskets in engines; engineering fluids; and high performance fluids used in the manufacture of computer chips and for electronic cooling and lubricating of computer hard disk drives. This group also serves as a major resource for other 3M divisions, supplying specialty chemicals, adhesives and films used in the manufacture of many 3M products.

Major products in the Automotive Systems Group include body side-molding and trim; functional and decorative graphics; corrosion-resistant and abrasion-resistant films; tapes for attaching nameplates, trim and moldings; and fasteners for attaching interior panels and carpeting.

Major products in the Consumer and Office Markets businesses include Scotch brand tapes; Post-it brand note products, including memo pads, labels, stickers, pop-up notes and dispensers; home cleaning products, including Scotch-Brite brand scouring products, O-Cel-O brand sponges and Scotchgard brand fabric protectors; energy control products, such as window insulation kits; nonwoven abrasive materials for floor maintenance and commercial cleaning; floor matting; and a wide range of do-it-yourself products, including surface preparation and wood finishing materials, and filters for furnaces and air conditioners.

The Tape Group manufactures and markets a wide variety of high-performance and general-use pressure-sensitive tapes and specialty products. Major product categories include industrial application tapes made from a wide variety of materials such as foil, film, vinyl and polyester; specialty tapes and adhesives for industrial applications, including Scotch brand VHB brand tapes, lithographic tapes, joining systems, specialty additives, vibration control materials, liquid adhesives, and reclosable fasteners; general-use tapes, such as masking, box-sealing and filament; and labels and other materials for identifying and marking durable goods.

Information, Imaging and Electronic Sector: This sector serves rapidly changing markets in audio, video and data recording; graphic communications; information storage, output and transfer; telecommunications; electronics and electrical products. The sector has the leading technologies for certain electrical, electronic and fiber-optic applications and a wide variety of graphic imaging technologies. Having these related areas in one operating unit fosters efficient product development and innovation. The sector is also strong in worldwide distribution and service. The sector is organized into three groups: Electro and Communications Systems; Imaging Systems; and Memory Technologies.

The Electro and Communications Systems Group includes products in the electronic, electrical, telecommunication and visual communication fields. The electronic and electrical products include packaging and inter-connection devices; insulating materials, including pressure-sensitive tapes and resins; and other related equipment. These products are used extensively by manufacturers of electronic and electrical equipment, as well as the construction and maintenance segments of the electric utility, telephone and other industries. The telecommunication products serve the world's telephone companies with a wide array of products for fiber-optic and copper-based telephone systems. These include many innovative connecting, closure and splicing systems, maintenance products and test equipment. The visual communication products serve the world's office and education markets with overhead projectors and transparency films and materials plus equipment and accessories for computer-based presentations.

The Imaging Systems Group offers a complete line of products for printers and graphic arts firms, ranging from the largest commercial printer to the smallest instant printer or in-house facility. These products include a broad line of presensitized lithographic plates and related supplies; a complete line of duplicator press plates and automated imaging systems and related supplies; copy and art preparation materials; pre-press proofing systems; carbonless paper sheets for multiple-part business forms; and a line of light-sensitive dry silver papers and films for electronically recorded images. This group's imaging technologies are used in producing photographic products, including medical X-ray films, graphic arts films and amateur color films. It also is a major supplier of laser imagers and supplies and computerized medical diagnostic systems. This group also offers an array of micrographic systems including readers and printers for engineering graphics and office applications. Related products include dry silver imaging papers and microfilm in aperture card and roll formats.

The Memory Technologies Group manufactures and markets a complete line of magnetic and optical recording products for many applications that meet the requirements for complex applications in computers, instrumentation, automation and other fields. Memory Technologies is the world's largest supplier of removable memory media for computers. Products range from computer diskettes, cartridges and tapes to CD-ROM and rewritable optical media. The group markets a wide array of recording products which are used for home video recording, in professional radio and television markets, as well as for commercial and industrial uses. These include reel-to-reel, cartridge and cassette tapes for audio and video recording.

Life Sciences Sector: This sector contributes to better health and safety for people around the world. The Life Sciences Sector's major technologies include pressure-sensitive adhesives, substrates, extrusion/coating, nonwoven materials, specialty polymers and resins, optical systems, drug delivery, and electro-mechanical devices. The sector has strong distribution channels in all its major markets. The sector is organized into three groups: Medical Products; Pharmaceuticals, Dental and Personal Care Products; and Traffic and Personal Safety Products.

The Medical Products Group produces a broad range of medical supplies, devices and equipment. Medical supplies include tapes, dressings, surgical drapes and masks, biological indicators, orthopedic casting materials and electrodes. Medical devices and equipment include stethoscopes, heart-lung machines, sterilization equipment, blood gas monitors, powered orthopedic instruments, and intravenous infusion pumps. The Medical Products Group also develops hospital information systems.

The Pharmaceuticals, Dental and Personal Care Products Group serves pharmaceutical and dental markets, as well as manufacturers of disposable diapers. Pharmaceuticals include ethical drugs and drug-delivery systems. Among ethical pharmaceuticals are analgesics, anti-inflammatories and cardiovascular and respiratory products. Drug-delivery systems include metered-dose inhalers, as well as transdermal skin patches and related components. Dental products include dental restoratives, adhesives, impression materials, temporary crowns, infection control products, and orthodontic brackets and wires. This group also produces a broad line of tape closures for disposable diapers.

The Traffic and Personal Safety Products Group is a leader in the following markets: traffic control materials, commercial graphics, occupational health and safety, and out-of-home advertising. In traffic control materials, 3M is the worldwide leader in reflective sheetings. These materials are used on highway signs, vehicle license plates, construction workzone devices, and trucks and other vehicles. In commercial graphics, 3M supplies a broad line of films, inks and related products used to produce graphics for trucks and signs. Major occupational health and safety products include maintenance-free and reusable respirators, plus personal monitoring systems. Out-of-home advertising includes outdoor advertising, advertising displays in shopping centers, and local advertising in national magazines. This product group also markets a variety of other products. These include spill-control sorbents, Thinsulate brand and Lite Loft brand insulations, traffic control devices, filtration products, electronic surveillance products, reflective sheetings for personal safety, and films for protection against counterfeiting.

Distribution

3M products are sold directly to users and through numerous wholesalers, retailers, jobbers, distributors and dealers in a wide variety of trades in many countries of the world. Management believes that the confidence of wholesalers, retailers, jobbers, distributors and dealers in 3M and its products, developed through long association with trained marketing and sales representatives, has contributed significantly to 3M's position in the marketplace and to its growth. 3M has 297 sales offices and distribution centers worldwide, including 9 major branch offices and warehouses that are located in principal cities throughout the United States. There are 90 sales offices and distribution centers located in the United States. Internationally, 3M has 207 sales offices and distribution centers located in 55 countries.

Research, Patents and Raw Materials

Research and product development constitute an important part of 3M's activities, and products resulting from such research and product development have contributed in large measure to its growth. The total amount spent for all research and development activities was $1.054 billion, $1.030 billion and $1.007 billion in 1994, 1993 and 1992, respectively.

The corporate research laboratories are engaged in research which does not relate directly to 3M's existing product lines. They also support the research efforts of division and sector laboratories. Most major operating divisions, as well as several international companies, have their own laboratories for improvement of existing products and development of related new products. Engineering research staff groups provide specialized services in instrumentation, engineering and process development. An organization is maintained for technological development not sponsored by other units of the company.

3M is the owner of many domestic and foreign patents derived primarily from its own research activities. 3M does not consider that its business as a whole is materially dependent upon any one patent, license or trade secret or any group of related patents, licenses or trade secrets.

The company experienced no significant or unusual problems in the purchase of raw materials during 1994. While 3M has successfully met its demands to date, it is impossible to predict future shortages or their impact.

Executive Officers

The following is a list of the executive officers of 3M as of March 1, 1995, their present position, their current age, the year first elected to their position and other positions held within 3M during the previous five years. All of these persons have been employed full time by 3M or a subsidiary of 3M for more than five years. All officers are elected by the Board of Directors at its annual meeting, with vacancies and new positions being filled at interim meetings. There are no family relationships between any of the executive officers named, nor is there any arrangement or understanding pursuant to which any person was selected as an officer.

Name	Age	Present Position	Year Elected to Present Position	Other Positions Held During 1990-1995
L.D. DeSimone	58	Chairman of the Board and Chief Executive Officer	1991	Executive Vice President, Information and Imaging Technologies Sector and Corporate Services, 1989-1991
J. M. Adam	57	Vice President, Marketing	1995	Group Vice President, Medical Products Group, 1991-1995 Group Vice President, Consumer and Advertising Markets Group, 1991 Group Vice President, Consumer Products Group, 1986-1991
Giulio Agostini	59	Senior Vice President, Finance and Office Administration	1993	Senior Vice President, Finance, 1991-1993 Director, Finance and Administration, 3M Italy, 1972-1991
William E. Coyne	58	Vice President, Research and Development	1994	President and General Manager, 3M Canada, Inc., 1990-1994 Group Vice President, Medical Products Group, 1988-1990
Lawrence E. Eaton	57	Executive Vice President, Information, Imaging, and Electronic Sector and Corporate Services	1991	Group Vice President, Memory Technologies Group, 1986-1991
Harry A. Hammerly	61	Executive Vice President, International Operations	1995	Executive Vice President, Life Sciences Sector and International Operations, 1994 Executive Vice President, International Operations and Corporate Services, 1991-1994. Executive Vice President, Industrial and Electronic Sector and Corporate Services, 1989-1991
Charles E. Kiester	58	Senior Vice President, Engineering, Quality and Manufacturing Services	1993	Vice President, Engineering, Quality and Manufacturing Services 1990-1993 President and General Manager, 3M Canada,Inc., 1988-1990
Richard A. Lidstad	58	Vice President, Human Resources	1992	Staff Vice President, Human Resource Operations, 1987-1992
W. G. Meredith	52	Executive Vice President, Life Sciences Sector and Corporate Services	1995	Group Vice President, Pharmaceuticals, Dental and Personal Care Products Group, 1994 Group Vice President, Pharmaceuticals, Dental and Disposable Products Group, 1991-1994 Group Vice President, Pharmaceutical and Dental Products Group, 1990-1991 Division Vice President, 3M Pharmaceuticals, 1989-1990
Ronald A. Mitsch	60	Executive Vice President, Industrial and Consumer Sector and Corporate Services	1991	Senior Vice President, Research and Development, 1990-1991 Group Vice President, Traffic and Personal Safety Products Group, 1985-1990

John J. Ursu	55	Vice President, Legal Affairs and General Counsel	1993	General Counsel, 1992-1993 Deputy General Counsel, 1990-1992 Associate General Counsel, 1986-1990

Item 2. Properties.

3M's general offices, corporate research laboratories, most division laboratories and certain manufacturing facilities are located in St. Paul, Minnesota. Within the United States, 3M operates 80 plants in 28 states and has 90 sales offices and distribution centers located in 23 states. Internationally, 3M operates 107 manufacturing and converting facilities in 45 countries and has 207 sales offices and distribution centers located in 55 countries.

3M owns substantially all of its physical properties. 3M leases certain facilities which were financed through the issuance of industrial development bonds in the original principal amount of $30 million. 3M has capitalized the construction costs related to these facilities and recorded the related liabilities. Management believes 3M's existing physical facilities are highly suitable for the purposes for which they were designed.

Item 3. Legal Proceedings.

The company and certain of its subsidiaries are named defendants in a number of actions, governmental proceedings and claims, including product liability claims involving products now or formerly manufactured and sold by the company, many of which relate to silicone gel mammary implants, and some of which claims are purported or tentatively certified class actions. In some actions, the claimants seek damages as well as other relief which, if granted, would require substantial expenditures.

The company is involved in a number of environmental proceedings by governmental agencies asserting liability for past waste disposal and other alleged environmental damage. The company conducts ongoing investigations, assisted by environmental consultants, to determine accruals for the probable, estimable costs of remediation. The remediation accruals are reviewed each quarter and changes are made as appropriate.

Some of these matters raise difficult and complex factual and legal issues and are subject to many uncertainties, including, but not limited to, the facts and circumstances of each particular action, the jurisdiction and forum in which each action is proceeding, and differences in applicable law. Accordingly, the company is not always able to estimate the nature and precise amount of future liabilities with respect to such matters.

Although there can be no certainty that the company may not ultimately incur charges (whether for governmental proceedings and claims, mammary implant claims, other product liability claims, environmental proceedings or other actions) in excess of presently established accruals, the company believes that such additional charges, if any, will not pose a material risk to the financial position of the company or its results of operations.

Mammary Implant Litigation:

As of December 31, 1994, the company had been named as a defendant, often with multiple co-defendants, in 6,166 claims and lawsuits in various courts, all seeking damages for personal injuries from allegedly defective breast implants. These claims and lawsuits purport to represent 15,732 individual claimants. It is not yet certain how many of these lawsuits and claims involve products manufactured and sold by the company, as opposed to other manufacturers. The company entered the business in 1977 by purchasing McGhan Medical and then sold that business in 1984.

On April 8, 1994, the company and other defendants concluded provisional agreements with a plaintiffs' negotiating committee regarding their contributions to a "global settlement" in the amount of $4.75 billion, which had been previously announced by the committee and three major defendants in these claims and lawsuits. The company has agreed that its maximum commitment of $325 million will be paid into a court-administered fund within three years from the date that the final order ratifying the global settlement is entered and after appeals, if any, have been exhausted. On September 1,1994, the global settlement was approved as fair, reasonable and adequate by the U.S. District Court, Northern District of Alabama, which has had jurisdiction over this matter. This ruling subsequently was appealed by several third parties (i.e. neither plaintiffs nor defendants). The company maintains a unilateral right to withdraw from the global settlement. This right to withdraw will continue until the process of evaluating and classifying claims is complete. The claims process is expected to continue well into 1995.

In the first quarter of 1994, the company took a pre-tax charge of $35 million ($22 million after tax) in recognition of its best estimate of its probable liabilities and associated expenses net of the probable amount of insurance recoverable from its carriers. The company's current estimate of the total liabilities and associated expenses is nearly $500 million. After subtracting payments made in 1994 (for legal fees and payment of settlements to litigants and claimants electing to remove themselves from the global settlement) and adjusting for discounting, the company as of December 31, 1994, had accrued liabilities having a net present value of $356 million. The company had also accrued receivables for insurance recoveries of $377 million as of December 31, 1994. Although, since the first quarter of 1994, a number of out-of-court settlements have been reached and discussions continue with litigants and claimants, the company's current estimate of its uninsured financial exposure has not materially changed.

On September 22, 1994, three excess coverage insurers initiated in the courts of the State of Minnesota a declaratory judgment action against the company and numerous insurance carriers seeking adjudication of certain coverage issues and a determination concerning allocation among insurers for coverage under the terms of the various insurance policies with possible application. On December 9, 1994, the company initiated an action against its occurrence insurers in the Texas State Court in and for Harrison County, seeking a determination concerning allocation of financial responsibility among the company's various insurers having applicable coverages, including adjudication of overlapping coverages. This action has since been removed to the U.S. District Court, Eastern District of Texas. None of the insurers that are parties to this action has denied coverage.

The company conducts ongoing reviews, assisted by outside counsel, to determine the adequacy and extent of insurance coverage provided by its occurrence and claims-made insurers. The most recent review shows that no insurer has denied coverage, and that the aforementioned actions in the courts of Minnesota and Texas relate principally to the allocation of financial responsibility among the company's insurers (including adjudication of overlapping coverages).

Although the company's current estimate of total liabilities and associated expenses has increased to nearly $500 million, the company believes, based on ongoing reviews, that the coverage provided by the policies with possible application is sufficient to cover the current exposure. The totality of the insurance coverage, which has not been denied by any insurer, is thus the basis for the company's belief that its uninsured financial exposure has not materially changed, and therefore, no recognition of additional charges has been necessary since the first quarter of 1994.

Item 4. Submission of Matters to a Vote of Security Holders.

None in the quarter ended December 31, 1994.

Part II

Item 5. Market Price of 3M's Common Stock and Related Security Holder Matters.
At January 31, 1995, there were 125,339 shareholders of record.

3M's stock is listed on the following stock exchanges: New York Stock Exchange, Pacific Stock Exchange, Chicago Stock Exchange, Amsterdam Stock Exchange, German stock exchanges, Swiss stock exchanges, Paris Stock Exchange, and Tokyo Stock Exchange.

Stock price comparison information (New York Stock Exchange Composite Transactions), which reflects a two-for-one stock split effective March 15, 1994, is as follows:

Quarter		First	Second	Third	Fourth	Year
1994	High	$56.38	$52.38	$57.13	$56.63	$57.13
	Low	49.00	46.38	49.25	50.38	46.38
1993	High	55.88	58.50	55.63	56.75	58.50
	Low	48.63	52.44	51.13	50.75	48.63

Item 6. Selected Financial Data.

All per-share data reflect a two-for-one stock split effective March 15, 1994.

(Dollars in millions, except amounts per share)

	1994	1993	1992	1991	1990
For the Year Ended December 31:					
Net Sales	$15,079	$14,020	$13,883	$13,340	$13,021
Net Income	1,322	1,263	1,233*	1,154	1,308
Per Share of Common Stock:					
Net Income	3.13	2.91	2.81*	2.63	2.95
Cash Dividends Declared and Paid	1.76	1.66	1.60	1.56	1.46
Ratio of Earnings to Fixed Charges	13.30	15.51	12.81*	11.02	12.42
At December 31:					
Total Assets	13,496	12,197	11,955	11,304	11,079
Long-term Debt (excluding portion due within one year)	1,031	796	687	764	760

* Includes a net earnings increase of $6 million, or 1 cent per share, from the combination of a legal settlement, special charges and the cumulative effect of accounting changes, which are more fully discussed on page 26.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Operating Results
All share and per-share data reflect a two-for-one stock split effective March 15, 1994.

Worldwide net sales rose 7.6 percent to $15.079 billion. This followed increases of 1.0 percent in 1993 and 4.1 percent in 1992. Sales in the United States were $7.511 billion, up more than 5 percent from 1993. International sales totaled $7.568 billion, an increase of about 10 percent from 1993.

Estimated components of sales change from prior year were as follows:

	1994			1993		
	U.S.	Intl.	Worldwide	U.S.	Intl.	Worldwide
Volume	7%	10%	9%	5%	7%	6%
Price	(2)	(2)	(2)	(2)	(2)	(2)
Translation	-	2	1	-	(6)	(3)
Total	5%	10%	8%	3%	(1)%	1%

Volume growth accelerated both in the United States and internationally in 1994, helped by improving economies, a strong flow of new products, and increased efforts to improve customer satisfaction. Selling prices declined about 2 percent in both 1994 and 1993, largely due to competition in our memory technologies product lines. Currency fluctuations, which reduced sales by about 3 percent in 1993, increased sales slightly in 1994.

Cost of goods sold was 59.7 percent of sales, down from 60.8 percent in 1993. Cost of goods sold benefited from solid volume growth, productivity gains and cost control efforts. In 1993, cost of goods sold increased by seven-tenths of a percentage point. Benefits from productivity gains and lower raw material costs were more than offset by lower selling prices and negative currency effects. Cost of goods sold includes manufacturing, research and development, and engineering expenses.

Selling, general and administrative expenses were 25.4 percent of sales, compared with 25.2 percent in 1993 and 25.6 percent in 1992. The increase in 1994 largely reflected investments to sustain rapid growth in developing countries. Cost-reduction efforts helped SG&A spending in both 1994 and 1993.

(Percent of sales)	1994	1993	1992
Cost of goods sold	59.7	60.8	60.1
Selling, general and administrative expenses	25.4	25.2	25.6

Worldwide employment decreased by over 660 in 1994 and by over 1,000 in 1993, even though the company added employees to support rapid growth in developing countries. This net reduction in employment occurred with little disruption to the company. Sales per employee rose about 8 percent.

Worldwide operating income totaled $2.251 billion, up 15.0 percent from 1993. Operating income benefited from strong volume growth and from efforts to control costs and improve productivity. Operating profit margins improved by nine-tenths of a percentage point. The company estimates that currency changes increased operating income by about $21 million in 1994 and reduced operating income by about $95 million in 1993. In 1993, operating income decreased 1.9 percent, largely due to this negative currency impact.

(Percent of sales)	1994	1993	1992
Operating Income	14.9	14.0	14.4

In 1992, 3M recognized $129 million in settlement of a patent lawsuit involving 3M orthopedic casting materials. Operating income in 1992 included this amount, which is shown on a separate line of the Consolidated Statement of Income titled "Legal settlement."

Also in 1992, 3M recorded $115 million of special charges related to actions taken to enhance its competitiveness and productivity. These charges relate primarily to asset write-downs, reflecting decisions in 1992 to rationalize certain manufacturing operations. Operating income in 1992 included this amount, which is shown on a separate line of the Consolidated Statement of Income titled "Special charges."

Interest expense was $87 million, compared with $50 million in 1993 and $76 million in 1992. The increase from 1993 was due to a planned increase in debt and higher interest rates. The declines in both 1993 and 1992 were mainly due to lower interest rates. Investment and other income was $25 million, compared with $96 million in 1993 and $29 million in 1992. In 1993, investment and other income included a $36 million benefit from tax settlements, improved investment results, and other items, many of which were of a non-recurring nature.

During the first quarter of 1994, the company recorded a charge of $35 million related to mammary implant litigation. Other income and expense in 1994 includes this amount, which is shown on a separate line of the Consolidated Statement of Income titled "Implant litigation - net." The company entered the implant business in 1977 by purchasing McGhan Medical and then sold that business in 1984. Although there can be no certainty that the company may not ultimately incur charges in excess of presently established reserves, the company believes that such additional charges, if any, will not pose a material risk to the financial position of the company or its results of operations.

The company's effective tax rate was 35.8 percent of pre-tax income, up from 35.3 percent in both 1993 and 1992. The higher tax rate was primarily due to a lower level of foreign tax credits in 1994 and the accounting benefit in 1993 of revaluing deferred tax assets and liabilities for the higher 1993 U.S. statutory tax rate. This was partially offset by an adjusted prior years' export sales benefit in 1994. The company's deferred tax assets and liabilities will reverse over an extended period of time.

Minority interest was $61 million, compared to $32 million in 1993 and $24 million in 1992. Minority interest includes our joint ventures in Japan, India, Indonesia, and Korea. These companies' results are fully consolidated into 3M's financial statements, and then partially eliminated on the minority interest line to reflect 3M's net position in these companies. The increase in 1994 was largely due to increased profits in these companies.

Net income rose 4.7 percent to $1.322 billion, or $3.13 per share ($1.344 billion, or $3.18 a share, excluding the charge for mammary implant litigation). In 1993, net income increased 2.5 percent to $1.263 billion, or $2.91 per share, compared with $1.233 billion, or $2.81 per share, in 1992.

The company estimates that changes in the value of the U.S. dollar had a minimal effect on net income in 1994 and 1992, but decreased net income by an estimated $62 million, or 14 cents per share, in 1993. These estimates include the effect of translating profits from local currencies into U.S. dollars, the costs in local currencies of transferring goods between the parent company in the U.S. and international companies, and transaction gains and losses in countries not considered to be highly inflationary.

Over the long term, 3M expects to meet its aggressive financial goals. These include a growth in earnings per share averaging 10 percent a year or better, return on stockholders' equity of 20 to 25 percent, return on capital employed of 27 percent or better, and 30 percent of sales from products introduced in the last four years.

Earnings per share increased 7.6 percent in 1994. Return on average stockholders' equity was 20.1 percent, up from 19.1 percent in 1993. This return has averaged 19.9 percent over the past 5 years. Return on capital employed was 20.7 percent, up from 19.1 percent in 1993. This return has averaged 20.8 percent over the past 5 years. In 1994 about 30 percent of sales came from products introduced within the last 4 years.

Performance by Business Sector

Industrial and Consumer Sector:
In 1994, sales were up 9.8 percent to $5.9 billion. Operating income increased 17.1 percent to $994 million. Profit margins increased by a full percentage point. All of the sector's major businesses contributed to this excellent performance, with particularly strong growth in the tape, abrasive and chemical businesses. Excluding special charges of $13 million in 1992, operating income increased 1.2 percent in 1993.

The competitive advantages of this sector include market leadership, depth of technology, innovative new products, brand equity, and international reach. New products in this sector include microstructured abrasives which are based on a patented new technology, electroluminescent lamps, structural adhesives, and performance fluids.

A strong international presence keeps this sector close to its customers around the world, enabling quick responses to changing needs and preferences. Because the market penetration is less than in the U.S., this sector has excellent opportunities for growth internationally.

Information, Imaging and Electronic Sector:
In 1994, sales were up 2.5 percent to $4.6 billion. Operating income rose 7.6 percent to $292 million. Excluding special charges of $81 million in 1992, operating income decreased 15.0 percent in 1993. Results over the past few years have been negatively affected by continuing investments in new technologies and new products, recessions in Europe and Japan, and severe price competition.

This sector's core businesses include data storage products and visual systems for the office market; printing and medical imaging systems; and high-value products for the telecommunications, electronics and electrical markets.

In the Electro and Communications Systems group, a new electrical tape plant in China was opened to increase our share of the fast growing Asian market. This group is also taking advantage of rapid growth in communications in developing countries, where many people still do not have telephones.

The Imaging Systems Group announced a new line of imagers that should offer significant cost savings, productivity improvements and environmental advantages. The 3M brand DryView brand Laser Imaging Systems produce high image quality, while eliminating the need for wet chemicals, special plumbing, darkrooms and chemical disposal. In the high growth digital imaging market the 3M brand Rainbow brand Color Proofing System enables advertising agencies, small printers, graphic designers and others to make proofs of color graphics without using film.

In the diskette arena the company is developing proprietary technology to advance 3.5-inch diskette capacity beyond the 2MB levels of today. Diskettes are being developed with storage capacities in excess of 100MB.

In the consumer and professional video market segments a focused approach is being taken. Manufacturing operations have been consolidated and non-core activities outsourced. Essentially, all videotape is produced in one highly efficient U.S. facility, where unit costs continue to decline.

Life Sciences Sector:
In 1994, sales increased 10.2 percent to $4.6 billion. Operating income increased 12.7 percent to $954 million. Operating profit was 21.0 percent of sales. This sector's sales growth was led by the transportation and safety businesses, with good growth in hospital supplies, pharmaceutical and dental. Excluding a net benefit of $108 million in 1992 from a legal settlement and special charges, operating income increased 3.4 percent in 1993.

Throughout the world, 3M has long had success helping health care professionals improve patient outcomes and lower overall costs. For example, with the carpal tunnel release system, surgeons no longer have to open the palm of the hand to treat patients afflicted with carpal tunnel syndrome, a growing occupational hazard. Now doctors can operate through a small incision in the wrist instead.

This sector introduced a new surgical gown that provides a barrier against blood and infectious diseases. This is 3M's first entry into a large and growing market segment. Also in 1994, this sector announced the development of a metered-dose, drug inhalation technology that is free of ozone-depleting chlorofluorocarbons.

In the transportation market, this sector contributes to safety efforts around the world with products that improve visibility of signs, traffic lanes and vehicles. In worker safety, 3M is a global leader in industrial respirators for filtering air contaminants. Market leadership is extended through innovations that increase worker comfort, improve filtration capabilities, and help reduce costs.

Performance by Geographic Area

United States
In the United States, volume increased about 7 percent, with growth well-balanced among the three business sectors. Selling prices declined about 2 percent, for a total sales increase of about 5 percent. Operating profit margins increased by one-and-a-half percentage points from 1993. Employment decreased by more than 550 people in 1994 and by over 700 in 1993.

Europe and Middle East
Strong emphasis on customer satisfaction and productivity improvement helped Europe leverage the economic recovery that began to take hold in 1994. In Western Europe profits increased about 10 percent on a 6 percent increase in sales. Through European business centers and the expertise of local companies, customer needs are being met better, faster and more efficiently. In 1994, 3M Egypt was formed.

As part of Europe's efforts to be number one in customer preference, investments are being made in new distribution centers and in an order-processing system. In 1994, Europe put into place key-account programs with many Pan-European and regional customers.

Asia Pacific
In the Asia-Pacific area, sales increased nearly 15 percent. Growth was particularly strong in Asia outside Japan. To sustain rapid growth in this area, investments continue in new products, operations and people. In Japan, the company posted a solid increase in profits, with results benefiting from a strong flow of new products and continued productivity improvement.

Canada, Latin America and Africa
Latin America and Africa continued to show strong growth. Freer trade in Latin America is stimulating healthy economic growth in many countries. In Canada, manufacturing operations play a key role in leveraging 3M resources in North America and worldwide. The North American Free Trade Agreement affords opportunities to further integrate operations in the United States, Canada and Mexico, thereby meeting customer needs more effectively and efficiently.

Financial Position

3M's financial condition remained strong in 1994. Various items, such as cash and short-term debt, can fluctuate significantly from month to month depending on short-term liquidity needs. The company's key inventory index, which represents the number of months of inventory, was 4.2 months, up from 4.0 months in 1993. Accounts receivable days' sales outstanding was 67 days, up one day from 1993. The company's current ratio was 1.9, unchanged from 1993.

The adoption of FASB Interpretation Number 39 and mammary implant litigation were the primary contributors to the increase in the "Other Assets" and "Other Liabilities" components of the Consolidated Balance Sheet compared to year-end 1993 balances. The company's current estimate of the total mammary implant claims and associated expenses is nearly $500 million. After subtracting payments made in 1994 (for legal fees and payment of settlements to litigants and claimants electing to remove themselves from the global settlement) and adjusting for discounting, the company as of December 31, 1994 has accrued liabilities having a net present value of $356 million. The company has accrued receivables as of December 31, 1994, primarily on the "Other Assets" line, having a nominal value of $377 million.

Total debt was $1.948 billion, a planned increase from $1.493 billion in 1993. Of the long-term debt outstanding at the end of 1994, $444 million was a guarantee of debt of the 3M Employee Stock Ownership Plan. Total debt was 29 percent of stockholders' equity, up from 23 percent in 1993. The company's borrowings continue to maintain AAA long-term ratings.

Legal proceedings, including mammary implant and environmental, are discussed in the legal proceedings section on pages 9 and 10. The company believes that such matters will not pose a material risk to the financial position or liquidity of the company.

Liquidity

The company meets its cash requirements primarily from operating activities. During 1994, cash flows provided by operating activities totaled $1.929 billion. This more than covered capital expenditures and dividend payments of $1.892 billion. The decrease in cash provided from operations in 1994 of $162 million was mainly due to the receipt of a large cash settlement in 1993 of $129 million. In both 1994 and 1993, increased working capital requirements due to higher sales growth affected cash provided by operating activities.

Capital spending increased 3.3 percent to $1.148 billion. This followed declines of 9.3 percent in 1993 and 7.5 percent in calendar year 1992.

Stockholder dividends increased 6.0 percent to $1.76 per share in 1994. Cash dividend payments totaled $744 million, up 3.2 percent from 1993. 3M has paid dividends for 79 consecutive years.

On February 13, 1995, the 3M Board of Directors increased the quarterly dividend on 3M common stock 6.8 percent to 47 cents a share, and authorized the repurchase of up to 8 million of the company's shares. This share repurchase authorization runs through February 12, 1996. The company purchased about 11 million shares under a previous authorization.

Repurchases of 3M common stock totaled $689 million in 1994, compared with $706 million in 1993 and $247 million in 1992. Repurchases were made to support employee stock purchase plans and for other corporate purposes. During 1994, the number of shares outstanding was reduced by nearly 10 million, or about 2 percent.

The company's credit rating provides easy and ample access to global capital markets. 3M maintains a shelf registration with the Securities and Exchange Commission that provides the means to offer medium-term notes not to exceed $601 million. At December 31, 1994, $402 million was available for future financial needs.

On January 10, 1995, the company completed a two year, $200 million 7.75 percent Eurobond offering. The company entered into an interest rate swap which resulted in an all-in borrowing cost of the 30-day commercial paper rate less 30 basis points for two years.

Due to a change in the financial reporting period for 3M's international companies, the 1992 Consolidated Statement of Cash Flows includes the cash provided or used by 3M's international companies for the 14-month period (November 1, 1991, to December 31, 1992).

The following table is presented on a comparative basis, whereby 1992 excludes the November 1 to December 31, 1991, period for our international companies.

(Millions)	1994	1993	1992
Net cash provided by operating activities	$1,929	$2,091	$2,218
Net cash used in investing activities	(1,171)	(1,092)	(1,139)
Net cash used in financing activities	(740)	(1,128)	(1,027)
Effect of exchange rate changes on cash	5	21	(20)
Net increase (decrease) in cash and cash equivalents	$ 23	$ (108)	$ 32
Capital expenditures	$1,148	$1,112	$1,225
Depreciation	1,003	976	950

Future Outlook

Looking ahead, the company expects good sales and earnings growth to continue in 1995. The company's strong flow of new products, expansion in international markets, sharp focus on customer satisfaction and continued productivity improvement all will drive growth. The company will work to offset expected higher raw material costs through selling price increases and continued productivity improvements.

Capital spending, after declining in 1992 and 1993, increased about 3 percent in 1994. The company expects capital spending to increase about 10 percent in 1995. Depreciation expense as a percent of sales should continue to contribute to margin improvement. Employment levels should continue to decline slightly in 1995.

The company's tax rate is expected to increase by about one percentage point in 1995. In 1994, the company was allowed to claim additional tax benefits on export sales from several earlier years. In addition, the company expects to earn more profit from outside the United States, where tax rates are generally higher.

Item 8. Financial Statements and Supplementary Data.

Index to Financial Statements

Report of Independent Accountants

To the Stockholders of Minnesota Mining and Manufacturing Company:

We have audited the consolidated financial statements of Minnesota Mining and Manufacturing Company and Subsidiaries as listed in Item 8 of this Form 10-K. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Minnesota Mining and Manufacturing Company and Subsidiaries as of December 31, 1994 and 1993, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1994, in conformity with generally accepted accounting principles.

As discussed in the Notes to Consolidated Financial Statements, the company changed the fiscal year-end of its international companies in 1992 and also adopted Statements of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," and No. 109, "Accounting for Income Taxes."

/s/ COOPERS & LYBRAND L.L.P.

COOPERS & LYBRAND L.L.P.

St. Paul, Minnesota
February 13, 1995

Consolidated Statement of Income

Minnesota Mining and Manufacturing Company and Subsidiaries

For the Years Ended December 31 (Amounts in millions, except per-share amounts)	1994	1993	1992
Net Sales	$15,079	$14,020	$13,883
Operating Expenses			
Cost of goods sold	8,995	8,529	8,346
Selling, general and administrative expenses	3,833	3,535	3,557
Legal settlement	--	--	(129)
Special charges	--	--	115

Total	12,828	12,064	11,889
Operating Income	2,251	1,956	1,994
Other Income and Expense			
Interest expense	87	50	76
Investment and other income - net	(25)	(96)	(29)
Implant litigation - net	35	--	--
Total	97	(46)	47
Income Before Income Taxes, Minority Interest and Cumulative Effect of Accounting Changes	2,154	2,002	1,947
Provision for Income Taxes	771	707	687
Minority Interest	61	32	24
Income Before Cumulative Effect of Accounting Changes	1,322	1,263	1,236
Cumulative Effect of Accounting Changes	--	--	(3)
Net Income	$ 1,322	$ 1,263	$ 1,233

Per-Share Amounts:
Income Before Cumulative Effect of Accounting Changes $3.13 $ 2.91 $ 2.82

Cumulative Effect of Accounting Changes	--	--	(0.01)
Net Income	$3.13	$ 2.91	$ 2.81
Average Shares Outstanding	423.0	434.3	438.2

All share and per-share data reflect a two-for-one stock split effective March 15, 1994.

The accompanying Notes to Consolidated Financial Statements are an integral part of this statement.

Consolidated Balance Sheet

Minnesota Mining and Manufacturing Company and Subsidiaries

At December 31 (Dollars in millions)	1994	1993
Assets		
Current Assets		
Cash and cash equivalents	$ 297	$ 274
Other securities	194	382
Accounts receivable - net	2,948	2,610
Inventories	2,763	2,401
Other current assets	726	696
Total current assets	6,928	6,363
Investments	536	455
Property, Plant and Equipment - net	5,054	4,830
Other Assets	978	549
Total	$13,496	$12,197
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 996	$ 878
Payroll	328	331
Income taxes	110	290
Short-term debt	917	697
Other current liabilities	1,254	1,086
Total current liabilities	3,605	3,282
Other Liabilities	2,126	1,607
Long-Term Debt	1,031	796
Stockholders' Equity - net	6,734	6,512
Shares outstanding - 1994: 419,793,702; 1993: 429,478,638		
Total	$13,496	$12,197

Share data reflect a two-for-one stock split effective March 15, 1994.

The accompanying Notes to Consolidated Financial Statements are an integral part of this statement.

Consolidated Statement of Cash Flows

Minnesota Mining and Manufacturing Company and Subsidiaries

For the Years Ended December 31 (Dollars in millions)	1994	1993	1992*
Cash Flows from Operating Activities			
Net income	$1,322	$1,263	$1,233
Adjustments to reconcile net income to net cash provided by operating activities:			
Legal settlement	--	129	(129)
Special charges	--	(29)	115
Cumulative effect of accounting changes	--	--	103
Depreciation	1,003	976	1,004
Amortization	98	100	83
Accounts receivable	(243)	(327)	(142)
Inventories	(302)	(161)	(78)
Working capital and other changes	51	140	88
Net cash provided by operating activities	1,929	2,091	2,277
Cash Flows from Investing Activities			
Capital expenditures	(1,148)	(1,112)	(1,318)
Proceeds from sale of property, plant and equipment	45	53	78
Acquisitions and other investments	(93)	(71)	(59)
Proceeds from divestitures and investments	25	38	63
Net cash used in investing activities	(1,171)	(1,092)	(1,236)
Cash Flows from Financing Activities			
Net change in short-term debt	216	48	(83)
Repayment of long-term debt	(62)	(80)	(187)
Proceeds from long-term debt	401	150	139
Purchases of treasury stock	(689)	(706)	(247)
Reissuances of treasury stock	138	181	177
Payment of dividends	(744)	(721)	(701)
Net cash used in financing activities	(740)	(1,128)	(902)
Effect of exchange rate changes on cash	5	21	(15)
Net increase (decrease) in cash and cash equivalents	23	(108)	124
Cash and cash equivalents at beginning of year	274	382	258
Cash and cash equivalents at end of year	$ 297	$ 274	$ 382

*Includes cash flows of international companies for a 14-month period from November 1, 1991, to December 31, 1992. See note on page 26 for details.

The accompanying Notes to Consolidated Financial Statements are an integral part of this statement.

Notes to Consolidated Financial Statements

Accounting Policies
Consolidation: All significant subsidiaries are consolidated. Unconsolidated subsidiaries and affiliates are included on the equity basis.

Cash and Cash Equivalents: Cash and cash equivalents consist of cash and temporary investments with maturities of three months or less when purchased.

Other Securities and Investments: Other securities consist of marketable securities and interest-bearing bank deposits with varied maturity dates. These securities are employed in the company's banking, captive insurance and cash management operations. Investments primarily include assets from captive insurance, banking operations, other insurance, and real estate and venture capital investments.

Effective January 1, 1994, the company adopted Statement of Financial Accounting Standards (SFAS) No. 115, "Accounting for Certain Investments in Debt and Equity Securities." Other securities and investments classified as available-for-sale are reported at their fair value of about $160 million at December 31, 1994, with unrealized gains and losses included as a component of stockholders' equity. Held-to-maturity securities and investments are reported at amortized cost of about $350 million at December 31, 1994. Other investments totaling about $220 million are stated at cost, which approximates fair value.

Inventories: Inventories are stated at lower of cost or market, with cost generally determined on a first-in, first-out basis.

Other Assets: Other assets include goodwill, patents, other intangibles, product and other insurance claims, deferred taxes and other noncurrent assets. Intangible assets are periodically reviewed for impairment based on an assessment of future operations to ensure that they are appropriately valued. Goodwill is generally amortized on a straight-line basis over 10 years. Other intangible items are amortized on a straight-line basis over their estimated economic lives.

Effective January 1, 1994, the company adopted FASB Interpretation No. 39, which requires gross reporting for environmental and other liabilities, and for any related insurance claims. This adoption primarily increased "Other Assets" and "Other Liabilities" from year-end 1993 balances.

Deferred Income Taxes: Deferred income taxes arise from differences in bases between tax reporting and financial reporting.

Revenue Recognition: Revenue is recognized upon shipment of goods to customers and upon performance of services. The company sells a wide range of products to a diversified base of customers around the world, and therefore believes that no material concentrations of credit risk exist.

Depreciation: Depreciation of property, plant and equipment is generally computed on a straight-line basis over the estimated useful lives of these assets.

Research and Development: Research and development costs are charged to operations as incurred and totaled $1.054 billion in 1994, $1.030 billion in 1993 and $1.007 billion in 1992.

Advertising Costs: Advertising costs are generally charged to operations in the year incurred and totaled $191 million in 1994, $161 million in 1993 and $172 million in 1992.

Foreign Currency Translation: Local currencies are generally considered the functional currencies outside the United States, except in countries treated as highly inflationary. Assets and liabilities are translated at year-end exchange rates for operations in local currency environments. Income and expense items are translated at average rates of exchange prevailing during the year. Cumulative translation adjustments, recorded as a component of stockholders' equity, reduced stockholders equity by $163 million, $331 million and $198 million at December 31, 1994, 1993 and 1992, respectively.

For operations in countries treated as highly inflationary, certain financial statement amounts are translated at historical exchange rates, with all other assets and liabilities translated at year-end exchange rates. These translation adjustments are reflected in the results of operations. They decreased net income by $20 million in 1994 and by $12 million in 1993, and increased net income by $10 million in 1992.

Derivatives: Derivative financial instruments are utilized by the company to manage risks generally associated with foreign exchange rate and interest rate market volatility. The company does not hold or issue derivative financial instruments for trading purposes. The company is not a party to leveraged derivatives. Realized and unrealized gains and losses are deferred until the underlying transactions are realized. These gains and losses are recognized either as interest expense over the borrowing period for interest rate and currency swaps, as an adjustment to cost of goods sold for inventory-related hedge transactions, or in stockholders' equity for hedges of net investments in international companies. Cash flows attributable to these financial instruments are included with the cash flows from the associated hedged items.

1992 Accounting Changes

Effective January 1, 1992, the company adopted SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" and SFAS No. 109, "Accounting for Income Taxes." In addition, the international companies changed their fiscal year-end from October 31 to December 31. Adoption of these accounting changes, in aggregate, did not have a material impact on 1992 results of operations.

Cumulative Effect of 1992 Accounting Changes (Millions, except per-share data)	Amount	Per Share
Cumulative effect of change in:		
Reporting period for international companies, net of $25 million in taxes (including tax benefits from revaluation of certain fixed assets in Italy)	$ 100	$ 0.23
Accounting for other postretirement benefits, net of $107 million in taxes	(183)	(0.42)
Accounting for income taxes	80	0.18
Total	$ (3)	$(0.01)

Legal Settlement and Special Charges

In December 1992, 3M recognized $129 million in settlement of a patent lawsuit involving 3M orthopedic casting materials. 3M received payment in January 1993.

In 1992, 3M recorded $115 million of special charges designed to enhance competitiveness and productivity. About 75 percent of these charges related to asset write-downs, including rationalization of manufacturing operations.

Supplemental Balance Sheet Information

(Millions)	1994	1993
Accounts receivable		
Accounts receivable	$ 3,058	$ 2,730
Less allowances	110	120
Accounts receivable - net	$ 2,948	$ 2,610
Inventories		
Finished goods	$ 1,475	$ 1,246
Work in process	676	604
Raw materials and supplies	612	551
Total inventories	$ 2,763	$ 2,401
Other current assets		
Deferred taxes	$ 212	$ 293
Product and other insurance claims	158	62
Other	356	341
Total other current assets	$ 726	$ 696
Property, plant and equipment - at cost		
Land	$ 287	$ 258
Buildings and leasehold improvements	2,799	2,572
Machinery and equipment	8,859	8,305
Construction in progress	458	353
	$12,403	$11,488
Less accumulated depreciation	7,349	6,658
Property, plant and equipment - net	$ 5,054	$ 4,830
Other assets		
Product and other insurance claims	$ 466	$ 61
Deferred taxes	167	146
Other	345	342
Total other assets	$ 978	$ 549
Other current liabilities		
Deposits - banking operations	$ 270	$ 291
Product and other liabilities	184	111
Deferred taxes	11	6
Other	789	678
Total other current liabilities	$ 1,254	$ 1,086
Other liabilities		
Product and other liabilities	$ 690	$ 268
Minority interest in subsidiaries	460	376
Nonpension postretirement benefits	404	386
Deferred taxes	96	92
Other	476	485
Total other liabilities	$ 2,126	$ 1,607

Deposits - banking operations - are primarily demand deposits and, as such, the carrying amount approximates fair value.

Debt

Short-Term Debt (Millions)	Effective Interest rate*	1994	1993
Commercial paper	6.03%	$ 593	$193
Long-term debt - current portion	8.13%	174	79
Other borrowings	7.93%	150	425
Total short-term debt		$ 917	$697

Long-Term Debt (Millions)	Effective Interest rate*	Maturity Date	1994	1993
ESOP debt guarantee	8.21%	1996-2004	$ 444	$469
U.S. 6.375% Eurobond	6.52%	1997	200	--
Canadian 6.5% Eurobond	4.81%	1998	114	114
Medium-term 6.25% note	6.61%	1999	100	75
Swiss Franc 5.5% note	5.73%	1997	98	--
Other borrowings	7.50%	1996-2025	75	138
Total long-term debt			$1,031	$796

*Weighted average effective interest rates, which reflect the effects of interest rate and currency swaps, at December 31, 1994.

Other borrowings consist primarily of borrowings of 3M's international companies and industrial bond issues in the United States.

On January 10, 1995, the company completed a two year, $200 million 7.75 percent Eurobond offering. The company entered into an interest rate swap, which resulted in an all-in borrowing cost of the 30-day commercial paper rate less 30 basis points for two years.

Maturities of long-term debt for the next five years are as follows:
1995, $174 million; 1996, $45 million; 1997, $340 million; 1998, $160 million; and 1999, $146 million.

Interest payments included in the Consolidated Statement of Cash Flows totaled $89 million in 1994, $53 million in 1993 and $88 million in 1992. The $88 million in 1992 includes cash flows of international companies for a 14-month period from November 1, 1991, to December 31, 1992. For the calendar year 1992, interest payments were $79 million. The ESOP debt is being serviced by dividends on stock held by the ESOP and by company contributions. These contributions are reported as a benefit expense.

The company estimates that the fair value of short-term and long-term debt approximates the carrying amount of this debt. Payment of dividends is not restricted by debt covenants.

Other Financial Instruments

Interest Rate and Currency Swaps: To manage interest rate and foreign exchange rate risk and to lower its cost of borrowing, the company has entered into interest rate and currency swaps. The notional amounts set forth in the table below serve solely as a basis for the calculation of payment streams to be exchanged. These notional amounts are not a measure of the exposure of the company through its use of derivatives. These instruments mature in relationship to the underlying debt instruments and have maturities extending to 1999. Unrealized gains and losses and exposure to changes in market conditions were not material at December 31, 1994 and 1993.

Notional Amounts (Millions)	1994	1993
Interest rate swaps	$489	$486
Currency swaps	256	119

Foreign Exchange Forward and Options Contracts: The company has entered into foreign exchange forward and options contracts, all having maturities of less than one year. The face amounts represent contracted U.S. dollar equivalents of non-U.S. dollar forward and options contracts. The amounts at risk are not material, because the company is not required to exercise options purchased, and it has the ability to generate offsetting foreign currency cash flows. The unrealized gains and losses at December 31, 1994 and 1993, were not material.

Face Amounts (Millions)	1994	1993
Forward contracts	$772	$601
Options purchased	65	235
Options sold	109	103

The company engages in foreign currency hedging activities to reduce exchange risks arising from cross-border, non-U.S. dollar cash flows. The company operates on a global basis, generating about one-half of its revenues from international customers and engaging in substantial product and financial transfers between geographic areas.

Credit Risk: The company is exposed to credit loss in the event of nonperformance by counterparties in interest rate swaps, currency swaps and foreign exchange contracts, but the company does not anticipate nonperformance by any of these counterparties. The company actively monitors its exposure to credit risk through the use of credit approvals and credit limits, and by selection of major international banks and financial institutions as counterparties.

Leases
Rental expense under operating leases was $149 million in 1994, $141 million in 1993 and $140 million in 1992. The table below sets forth minimum payments under operating leases with noncancelable terms in excess of one year as of year-end 1994.

(Millions)	1995	1996	1997	1998	1999	After 1999	Total
Minimum lease payments	$69	$56	$42	$22	$17	$87	$293

Income Taxes

Income Before Income Taxes (Millions)	1994	1993	1992
U.S.	$1,435	$1,390	$1,301
International	719	612	646
Total	$2,154	$2,002	$1,947

Provision for Income Taxes

(Millions)	1994	1993	1992
Currently payable			
Federal	$ 338	$ 430	$ 371
State	67	74	78
International	297	292	339
Deferred			
Federal	52	(66)	(63)
State	5	(5)	(6)
International	12	(18)	(32)
Total	$ 771	$ 707	$ 687

Deferred taxes in 1994 and 1993 include benefit costs not currently deductible of $293 million and $336 million, respectively, and accelerated depreciation for tax purposes of $362 million in both 1994 and 1993.

Income tax payments included in the Consolidated Statement of Cash Flows totaled $895 million in 1994, $802 million in 1993 and $743 million in 1992. The $743 million in 1992 includes cash flows of international companies for the 14-month period from November 1, 1991, to December 31, 1992. For calendar year 1992, income tax payments were $714 million.

At December 31, 1994, there were approximately $3.060 billion of retained earnings attributable to international companies that are considered to be permanently invested. No provision has been made for taxes that might be payable if these earnings were remitted to the United States. It is not practical to determine the amount of incremental tax that might arise were these earnings to be remitted.

Reconciliation of Effective Income Tax Rate	1994	1993	1992
Statutory U.S. tax rate	35.0%	35.0%	34.0%
State income taxes - net	2.2	2.2	2.5
International taxes	2.7	3.0	4.4
Adjusted prior years' export sales benefit	(1.9)	--	--
All other - net	(2.2)	(4.9)	(5.6)
Effective worldwide tax rate	35.8%	35.3%	35.3%

Stockholders' Equity

Common stock, without par value, of 500,000,000 shares is authorized, with 472,016,528 shares issued in 1994, 1993 and 1992. Treasury shares at year-end totaled 52,222,826 in 1994, 42,537,890 in 1993 and 33,948,428 in 1992. This stock is reported at cost. Preferred stock, without par value, of 10,000,000 shares is authorized but unissued. All share and per-share data reflect a two-for-one common stock split effective March 15, 1994.

(Dollars in millions)	Common Stock	Retained Earnings	Translation and Fair Value Adjustments	ESOP Unearned Compensation	Treasury Stock	Total
Balance, December 31, 1991	$296	$7,536	$ (24)	$(516)	$ (999)	$6,293
Net income		1,233				1,233
Dividends paid ($1.60 per share)		(701)				(701)
Reacquired stock (5,123,378 shares)					(247)	(247)
Issuances pursuant to stock option and benefit plans (4,910,760 shares)		(56)			233	177
Amortization of unearned compensation				18		18
Translation adjustments			(174)			(174)
Balance, December 31, 1992	$296	$8,012	$(198)	$(498)	$(1,013)	$6,599
Net income		1,263				1,263
Dividends paid ($1.66 per share)		(721)				(721)
Reacquired stock (13,161,736 shares)					(706)	(706)
Issuances pursuant to stock option and benefit plans (4,572,274 shares)		(54)			245	191
Amortization of unearned compensation				19		19
Translation adjustments			(133)			(133)
Balance, December 31, 1993	$296	$8,500	$(331)	$(479)	$(1,474)	$6,512
Net income		1,322				1,322
Dividends paid ($1.76 per share)		(744)				(744)
Reacquired stock (13,136,376 shares)					(689)	(689)
Issuances pursuant to stock option and benefit plans (3,451,440 shares)		(39)			188	149
Amortization of unearned compensation				19		19
Translation and fair value adjustments			165			165
Balance, December 31, 1994	$296	$9,039	$(166)	$(460)	$(1,975)	$6,734

Business Sectors

Financial information relating to the company's business sectors for the years ended December 31, 1994, 1993 and 1992 appears below. 3M is an integrated enterprise characterized by substantial intersector cooperation, cost allocations and inventory transfers. Therefore, management does not represent that these sectors, if operated independently, could earn the operating income shown.

(Millions)		Industrial and Consumer	Information, Imaging and Electronic	Life Sciences	Eliminations and Other	Total Company
Net Sales	1994	$5,875	$4,635	$4,553	$ 16	$15,079
	1993	5,350	4,520	4,132	18	14,020
	1992	5,215	4,599	4,026	43	13,883
Operating Income	1994	$ 994	$ 292	$ 954	$ 11	$ 2,251
	1993	849	271	846	(10)	1,956
	1992(1)	826	238	926	4	1,994
Identifiable Assets (2)	1994	$4,161	$3,596	$3,155	$172	$11,084
	1993	3,776	3,460	2,854	144	10,234
	1992	3,734	3,264	2,712	172	9,882
Depreciation	1994	$ 343	$ 375	$ 261	$ 24	$ 1,003
	1993	341	366	249	20	976
	1992(3)	323	356	238	33	950
Capital Expenditures	1994	$ 394	$ 403	$ 351	$ --	$ 1,148
	1993	399	388	327	(2)	1,112
	1992(3)	437	444	327	17	1,225

(1) Includes a legal settlement that increased operating income for the Life Sciences Sector by $129 million. Also includes special charges of $115 million, of which $81 million was in the Information, Imaging and Electronic Sector.

(2) Excludes certain corporate assets, primarily cash and cash equivalents, other securities, insurance receivables, deferred income taxes, certain other current assets, and investments.

(3) Excludes $93 million of capital expenditures and $54 million of depreciation for international companies from November 1 to December 31, 1991. See accounting changes note on page 26 for details.

Geographic Areas

Information in the table below is presented on the same basis as utilized by the company to manage the business. Export sales and certain income and expense items are reported in the geographic area where the final sale to customers is made rather than where the transaction originates.

(Millions)		United States	Europe and Middle East	Asia Pacific	Other Areas (1)	Elimina- tions	Total Company
Net Sales to Customers	1994	$7,511	$3,870	$2,469	$1,229		$15,079
	1993	7,126	3,646	2,154	1,094		14,020
	1992	6,922	4,068	1,847	1,046		13,883
Transfers Between Geographic Areas	1994	$1,642	$ 213	$ 31	$ 158	$(2,044)	--
	1993	1,393	172	28	146	(1,739)	--
	1992	1,273	176	31	119	(1,599)	--
Operating Income	1994	$1,107	$ 401	$ 515	$ 228		$ 2,251
	1993	940	376	429	211		1,956
	1992(2)	945	489	368	192		1,994
Identifiable Assets (3)	1994	$6,200	$2,872	$1,742	$ 863	$ (593)	$11,084
	1993	5,875	2,633	1,531	710	(515)	10,234
	1992	5,634	2,824	1,333	660	(569)	9,882

(1) Includes Canada, Latin America and Africa.

(2) Includes a legal settlement that increased operating income in the United States by $129 million. Also includes special charges of $115 million, of which $74 million was in Europe.

(3) Excludes certain corporate assets, primarily cash and cash equivalents, other securities, insurance receivables, deferred income taxes, certain other current assets, and investments.

At year-end, net assets of companies outside the United States totaled $3.390 billion in 1994, $2.963 billion in 1993 and $2.998 billion in 1992.

Retirement Plans

3M has various company-sponsored retirement plans covering substantially all U.S. employees and many employees outside the United States. Pension benefits are based principally on an employee's years of service and compensation near retirement. Plan assets are invested in common stocks, fixed-income securities, real estate and other investments.

The company's funding policy is to deposit with an independent trustee amounts at least equal to those required by law. A trust fund is maintained to provide pension benefits to plan participants and their beneficiaries. In addition, a number of plans are maintained by deposits with insurance companies. The charge to income relating to these plans was $183 million in 1994, $203 million in 1993 and $178 million in 1992.

Net Pension Cost	U.S. Plan			International Plans		
(Millions)	1994	1993	1992	1994	1993	1992
Service cost	$117	$110	$108	$85	$ 86	$73
Interest cost	280	276	252	89	80	78
Return on plan assets - actual	70	(430)	(221)	(2)	(185)	(73)
Net amortization and deferral	(377)	154	(38)	(79)	112	(1)
Net pension cost	$ 90	$110	$101	$93	$ 93	$77

Funded Status of Pension Plans	U.S. Plan		International Plans	
(Millions)	1994	1993	1994	1993
Plan assets at fair value	$3,343	$3,473	$1,333	$1,207
Accrued pension cost	161	180	97	78
Amount provided for future benefits	$3,504	$3,653	$1,430	$1,285
Actuarial present value of:				
Vested benefit obligation	2,889	3,024	1,022	875
Non-vested benefit obligation	423	470	100	65
Accumulated benefit obligation	$3,312	$3,494	$1,122	$ 940
Amount provided for future benefits less accumulated benefit obligation	192	159	308	345
Projected benefit obligation	3,721	3,921	1,514	1,279
Plan assets at fair value less projected benefit obligation	$ (378)	$ (448)	$ (181)	$ (72)
Unrecognized net transition (asset) obligation	(187)	(224)	22	10
Other unrecognized items	404	492	62	(16)
Accrued pension cost	$ (161)	$ (180)	$ (97)	$ (78)

	U.S. Plan			International Plans		
Assumptions at Year-End	1994	1993	1992	1994	1993	1992
Discount rate	8.25%	7.25%	8.00%	7.45%	7.26%	7.91%
Compensation rate increase	5.00%	5.00%	6.25%	5.71%	5.31%	6.40%
Long-term rate of return on assets	9.00%	9.00%	9.00%	7.65%	7.64%	8.23%

Net pension cost is determined using assumptions at the beginning of the year. Funded status is determined using assumptions at year-end.

Other Postretirement Benefits

The company provides health care and life insurance benefits for substantially all of its U.S. employees who reach retirement age while employed by the company. The company has set aside funds with an independent trustee for these postretirement benefits and makes periodic contributions to the plan. The assets held by the trustee are invested in common stocks and fixed-income securities. Employees outside the United States are covered principally by government-sponsored plans and the cost of company-provided plans for these employees is not material.

The table below sets forth the components of the net periodic postretirement benefit cost and a reconciliation of the funded status of the postretirement benefit plan for U.S. employees.

Net Periodic Postretirement Benefit Cost

(Millions)	1994	1993	1992
Service cost	$ 28	$ 23	$ 21
Interest cost	55	53	49
Return on plan assets - actual	16	(23)	(20)
Net amortization and deferral	(40)	1	--
Total	$ 59	$ 54	$ 50

Funded Status of Postretirement Benefit Plan (Millions)	1994	1993
Fair value of plan assets	$ 319	$ 335
Accumulated postretirement benefit obligation:		
Retirees	$ 256	$ 248
Fully eligible active plan participants	167	153
Other active plan participants	367	378
Benefit obligation	$ 790	$ 779
Plan assets less benefit obligation	$(471)	$(444)
Adjustments and unrecognized items	67	58
Accrued postretirement cost	$(404)	$(386)

The accumulated postretirement benefit obligation and related benefit cost are determined through the application of relevant actuarial assumptions. The company anticipates its health care cost trend rate to slow from 7.2 percent in 1995 to 5.0 percent in 2003, after which the trend rate is expected to stabilize. The effect of a one percentage point increase in the assumed health care cost trend rate for each future year would increase the benefit obligation by $62 million and the current year benefit expense by $8 million. Other actuarial assumptions include an expected long-term rate of return on plan assets of 9.0 percent (before taxes applicable to a portion of the return on plan assets), and a discount rate of 8.25 percent.

Employee Stock Ownership Plan

The company maintains an Employee Stock Ownership Plan (ESOP) for substantially all regular U.S. employees not covered by collective bargaining agreements. This plan was established in 1989 as a cost-effective way of funding certain employee retirement savings benefits, including the company's matching contributions under a 401(k) employee savings plan. The ESOP borrowed $548 million and used the proceeds to purchase 15.4 million shares of the company's common stock, previously held in treasury. Because the company has guaranteed repayment of the ESOP debt, the debt and related unearned compensation are recorded in the Consolidated Balance Sheet.

ESOP Shares	1994	1993	1992
Allocated shares	4,236,925	3,447,668	2,587,306
Committed to be released	--	--	--
Unreleased shares	10,941,944	11,875,928	12,780,918
Total shares held by the ESOP	15,178,869	15,323,596	15,368,224

Employee Savings Plan

The company sponsors employee savings plans under Section 401(k) of the Internal Revenue Code. These plans are offered to substantially all regular U.S. employees. The company matches employee contributions of up to 6 percent of compensation at rates ranging from 10 to 85 percent, depending upon company performance. Amounts charged against income were $26 million in 1994, and $29 million in both 1993 and 1992.

General Employees' Stock Purchase Plan

Substantially all regular U.S. employees are eligible to participate in the General Employees' Stock Purchase Plan. Participants are granted options at 85 percent of market value at the date of grant. Options must be exercised within 27 months from date of grant.

	Shares	Price Range
Under option- January 1, 1994	472,898	$36.95-48.30
Granted	1,711,898	41.76-46.54
Exercised	(1,750,579)	36.95-48.30
Canceled	(65,017)	36.95-48.30
Under option- December 31, 1994	369,200	$41.76-48.30
Shares available for grant- December 31, 1994	15,959,549	

Management Stock Ownership Program

Management stock options are granted at market value at the date of grant. At year-end, there were 4,374 participants in the plan. All outstanding options expire between May 1995 and May 2004.

	Shares	Price Range
Under option- January 1, 1994	20,182,694	$19.37-58.08
Granted	4,228,789	47.65-56.25
Exercised	(1,656,146)	19.37-51.83
Canceled	(39,396)	19.44-58.08
Under option- December 31, 1994	22,715,941	$19.44-58.08
Options exercisable- December 31, 1994	18,960,735	$19.44-58.08
Shares available for grant- December 31, 1994	17,595,213	

Quarterly Data (Unaudited)

(Millions, except per-share data)	First	Second	Third	Fourth	Year
Net Sales					
1994	$3,632	$3,772	$3,820	$3,855	$15,079
1993	3,517	3,540	3,481	3,482	14,020
Cost of Goods Sold					
1994	$2,168	$2,247	$2,282	$2,298	$8,995
1993	2,112	2,131	2,167	2,119	8,529

Net Income					
1994	$306	$343	$341	$332	$1,322
1993	330	331	316	286	1,263
Per-Share					
1994	$.72	$.81	$.81	$.79	$3.13
1993	.75	.76	.73	.67	$2.91

Stock Price Comparisons (NYSE Composite Transactions)

1994 High	$56.38	$52.38	$57.13	$56.63	$57.13
1994 Low	49.00	46.38	49.25	50.38	46.38
1993 High	55.88	58.50	55.63	56.75	58.50
1993 Low	48.63	52.44	51.13	50.75	48.63

Legal Proceedings
Discussion of legal matters is cross-referenced to Form 10-K Item 3, Legal Proceedings, and should be considered an integral part of the Financial Statements and Notes.

Item 9. Disagreements on Accounting and Financial Disclosure.

None.

PART III

Item 10. Directors and Executive Officers of the Registrant.

Item 11. Executive Compensation.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

Item 13. Certain Relationships and Related Transactions.

The information called for by Items 10 through 13 are omitted pursuant to general instruction G(3). The registrant will file with the Commission a definitive proxy statement pursuant to Regulation 14A before April 30, 1995.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

(a) The financial statements filed as part of this report are listed in the index to financial statements on page 19.

All schedules are omitted because of the absence of the conditions under which they are required or because the required information is included in the financial statements or the notes thereto.

(b) Reports on Form 8-K:

3M was not required to file any reports on Form 8-K for the quarter ended December 31, 1994.

(c) Exhibits:

Incorporated by Reference:

		Incorporated by Reference in the Report From
(3)	Restated certificate of incorporation and bylaws, amended to and including amendments of May 12, 1987.	Exhibit (3) to Report Form 10-Q for period ended June 30, 1987.
(4)	Instruments defining the rights of security	

holders, including debentures:
(a) common stock. Exhibit (3) above
(b) medium term notes. Registration Nos. 33-29329 and 33-48089 on Form S-3.

(10) Management contracts, management remuneration:
(a) management stock ownership program. Exhibit 4 of Registration No. 33-49842 on Form S-8

(b) profit sharing plan, performance unit plan and other compensation arrangements. Written description contained in issuer's proxy statement for the 1995 annual shareholders meeting.

		Reference (pages) Form 10-K
Submitted herewith:		
(11)	Computation of per share earnings.	40
(12)	Calculation of ratio of earnings to fixed charges.	41
(21)	Subsidiaries of the registrant.	42
(23)	Consent of experts.	43
(24)	Power of attorney.	44

(27) Financial data schedule (EDGAR filing only)

SIGNATURES

Pursuant to the requirements of Section 13 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.

MINNESOTA MINING AND MANUFACTURING COMPANY

By /s/ Giulio Agostini
Giulio Agostini, Senior Vice President -
Finance and Office Administration
Principal Financial and Accounting Officer
March 6, 1995

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on March 6, 1995.

Signature	Title
LIVIO D. DeSIMONE	Chairman of the Board and Chief Executive Officer, Director
EDWARD A. BRENNAN	Director
LAWRENCE E. EATON	Director
HARRY A. HAMMERLY	Director
ALLEN F. JACOBSON	Director
JERRY R. JUNKINS	Director
RONALD A. MITSCH	Director
ALLEN E. MURRAY	Director
AULANA L. PETERS	Director
ROZANNE L. RIDGWAY	Director
FRANK SHRONTZ	Director
F. ALAN SMITH	Director
LOUIS W. SULLIVAN	Director

Arlo D. Levi, by signing his name hereto, does hereby sign this document pursuant to powers of attorney duly executed by the other persons named, filed with the Securities and Exchange Commission on behalf of such other persons, all in the capacities and on the date stated, such persons constituting a majority of the directors of the company.

By /s/ Arlo D. Levi

Arlo D. Levi, Attorney-in-Fact

EXHIBIT 11

**MINNESOTA MINING AND MANUFACTURING COMPANY
AND CONSOLIDATED SUBSIDIARIES**

PER SHARE EARNINGS OF COMMON STOCK

Year ended December 31	1994	1993	1992
(Millions)			
Income before cumulative effect of accounting changes	$1,322	$1,263	$1,236
Cumulative effect of accounting changes	--	--	(3)
Net income	$1,322	$1,263	$1,233
Primary earnings per share:			
Income before cumulative effect of accounting changes	$ 3.13	$ 2.91	$ 2.82
Cumulative effect of accounting changes	--	--	(.01)
Earnings per share	$ 3.13	$ 2.91	$ 2.81
Weighted average number of common shares outstanding	422,955,241	434,312,393	438,173,736
Fully diluted earnings per share: (1)			
Income before cumulative effect of accounting changes	$ 3.10	$ 2.88	$ 2.79
Cumulative effect of accounting changes	--	--	--
Earnings per share	$ 3.10	$ 2.88	$ 2.79
Weighted average number of common shares outstanding	422,955,241	434,312,393	438,173,736
Common equivalent shares	3,706,298	4,331,742	4,253,994
Average number of common shares outstanding and equivalents	426,661,539	438,644,135	442,427,730

All share and per-share data reflect a two-for-one stock split effective March 15, 1994.

Primary earnings per share is computed by dividing net income by the weighted average number of common shares outstanding for each period. The calculation excludes the effect of common equivalent shares resulting from stock options using the treasury stock method as the effect would not be material.

Fully diluted earnings per share are computed based on the weighted average number of common shares and common equivalent shares outstanding for each period.

(1) This calculation is submitted in accordance with Regulation S-K item
601(b)(11), despite not being required by APB Opinion No. 15 because it results in dilution of less than 3 percent.

EXHIBIT 12

MINNESOTA MINING AND MANUFACTURING COMPANY
AND SUBSIDIARIES

CALCULATION OF RATIO OF EARNINGS TO FIXED CHARGES
(Dollars in millions)

	1994	1993	1992	1991	1990
EARNINGS					
Income Before Income Taxes, Minority Interest and Cumulative Effect of Accounting Changes	$2,154	$2,002	$1,947	$1,877	$2,135
Add:					
Interest on debt	87	50	76	97	98
Interest component of the ESOP benefit expense	39	41	42	44	45
Portion of rent under operating leases representative of the interest component	49	47	47	47	44
Less:					
Equity in undistributed income of 20-50 percent owned companies	2	--	(1)	(6)	1
TOTAL EARNINGS AVAILABLE FOR FIXED CHARGES	$ 2,327	$2,140	$2,113	$2,071	$2,321

FIXED CHARGES

	1994	1993	1992	1991	1990
Interest on debt	87	50	76	97	98
Interest component of the ESOP benefit expense	39	41	42	44	45
Portion of rent under operating leases representative of the interest component	49	47	47	47	44
TOTAL FIXED CHARGES	$ 175	$ 138	$ 165	$ 188	$ 187

RATIO OF EARNINGS TO FIXED CHARGES 13.30 15.51 12.81 11.02 12.42

EXHIBIT 21

MINNESOTA MINING AND MANUFACTURING COMPANY
AND CONSOLIDATED SUBSIDIARIES

PARENT AND SUBSIDIARIES

Name of Company	Organized Under Laws of	Percentage of Voting Securities Beneficially Owned by Registrant
Registrant:		
Minnesota Mining and Manufacturing Company	Delaware	
Consolidated subsidiaries of the registrant:		
Eastern Heights Bank	Minnesota	99
Media Networks, Inc.	Delaware	100
National Advertising Company	Delaware	100
3M Unitek Corporation	California	100
3M Argentina S.A.C.I.F.I.A.	Argentina	100
3M Australia Pty. Limited	Australia	100
3M Oesterreich GmbH	Austria	100
3M Belgium S.A./N.V.	Belgium	100
Seaside Insurance Limited	Bermuda	100
3M do Brasil Limitada	Brazil	100
3M Canada Inc.	Canada	100
3M A/S	Denmark	100
Suomen 3M Oy	Finland	100
3M France, S.A.	France	100
3M Deutschland GmbH	Germany	100
3M Hong Kong Limited	Hong Kong	100
3M Italia Finanziaria S.p.A.	Italy	100
Sumitomo 3M Limited	Japan	50
3M Health Care Limited	Japan	75
3M Korea Limited	Korea	60
3M Mexico, S.A. de C.V.	Mexico	100
Distribution Services International B.V.	Netherlands	100
3M Nederland B.V.	Netherlands	100
3M (New Zealand) Limited	New Zealand	100
3M Norge A/S	Norway	100
3M Puerto Rico, Inc.	Puerto Rico	100
3M Singapore Private Limited	Singapore	100
3M South Africa (Proprietary) Limited	South Africa	100
3M Espana, S.A.	Spain	100
3M Svenska AB	Sweden	100
3M (East) A.G.	Switzerland	100
3M (Schweiz) A.G.	Switzerland	100
3M Taiwan Limited	Taiwan	100
3M Thailand Limited	Thailand	100
3M United Kingdom P.L.C.	United Kingdom	100
3M Venezuela, S.A.	Venezuela	100

NOTE: Subsidiary companies excluded from the above listing, if considered in the aggregate, would not constitute a significant subsidiary.

EXHIBIT 23

CONSENT TO INCORPORATION BY REFERENCE

We consent to the incorporation by reference in the Registration Statements of Minnesota Mining and Manufacturing Company on Form S-8 (Registration Nos. 33-14791, 33-48690, 33-49842, and 2-78422) and Form S-3 (Registration Nos. 33-29329 and 33-48089), of our report dated February 13, 1995, on the audits of the consolidated financial statements of Minnesota Mining and Manufacturing Company and Subsidiaries as of December 31, 1994 and 1993, and for each of the three years in the period ended December 31, 1994, which report is included in this Annual Report on Form 10-K.

/s/ COOPERS & LYBRAND L.L.P.

COOPERS & LYBRAND L.L.P.

St. Paul, Minnesota
March 6, 1995

EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, That the undersigned directors and the Principal Financial and Accounting Officer of MINNESOTA MINING AND MANUFACTURING COMPANY, a Delaware corporation, hereby constitute and appoint Livio D. DeSimone, Giulio Agostini, Dwight A. Peterson, John J. Ursu, Arlo D. Levi, and Roger P. Smith, or any of them, their true and lawful attorneys-in-fact and agents, and each of them with full power to act without the others, for them and in their name, place, and stead, in any and all capacities, to do any and all acts and things and execute any and all instruments which said attorneys and agents may deem necessary or desirable to enable MINNESOTA MINING AND MANUFACTURING COMPANY to comply with the Securities Exchange Act of 1934, as amended, and any rules, regulations, and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing with said Commission of its annual report Form 10-K for the fiscal year ended December 31, 1994, including specifically, but without limiting the generality of the foregoing, power and authority to sign the name of MINNESOTA MINING AND MANUFACTURING COMPANY, and the names of the undersigned directors and Principal Financial and Accounting Officer to the Form 10-K and to any instruments and documents filed as part of or in connection with said Form 10-K or amendments thereto; and the undersigned hereby ratify and confirm all that said attorneys and agents shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have subscribed these presents this 13th day of February, 1995.

/s/ Livio D. DeSimone *Livio D. DeSimone, Chairman of the Board and Chief Executive Officer, Director*	*/s/ Giulio Agostini* *Giulio Agostini* *Senior Vice President* *Principal Financial Officer* *Principal Accounting Officer*
/s/ Edward A. Brennan *Edward A. Brennan, Director*	*/s/ Allen E. Murray* *Allen E. Murray, Director*
/s/ Lawrence E. Eaton *Lawrence E. Eaton, Director*	*/s/ Aulana L. Peters* *Aulana L. Peters, Director*
/s/ Harry A. Hammerly *Harry A. Hammerly, Director*	*/s/ Rozanne L. Ridgway* *Rozanne L. Ridgway, Director*
/s/ Allen F. Jacobson *Allen F. Jacobson, Director*	*/s/ Frank Shrontz* *Frank Shrontz, Director*
/s/ Jerry R. Junkins *Jerry R. Junkins, Director*	*/s/ F. Alan Smith* *F. Alan Smith, Director*
/s/ Ronald A. Mitsch *Ronald A. Mitsch, Director*	*/s/ Louis W. Sullivan* *Louis W. Sullivan, Director*

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS AND RELATED NOTES AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH CONSOLIDATED FINANCIAL STATEMENTS AND NOTES.

MULTIPLIER: 1,000,000

PERIOD TYPE	12 MOS
FISCAL YEAR END	DEC 31 1994
PERIOD END	DEC 31 1994
CASH	297
SECURITIES	194
RECEIVABLES	2,948
ALLOWANCES	0
INVENTORY	2,763
CURRENT ASSETS	6,928
PP&E	12,403
DEPRECIATION	7,349
TOTAL ASSETS	13,496
CURRENT LIABILITIES	3,605
BONDS	1,031
COMMON	296
PREFERRED MANDATORY	0
PREFERRED	0
OTHER SE	6,438
TOTAL LIABILITY AND EQUITY	13,496
SALES	15,079
TOTAL REVENUES	15,079
CGS	8,995
TOTAL COSTS	8,995
OTHER EXPENSES	0
LOSS PROVISION	0
INTEREST EXPENSE	87
INCOME PRETAX	2,154
INCOME TAX	771
INCOME CONTINUING	1,322
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	1,322
EPS PRIMARY	3.13
EPS DILUTED	3.13

End of Filing