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3M CO
Form 8-K
April 04, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report: April 4, 2003
(Date of earliest event reported)

3M COMPANY
(Exact name of registrant as specified in its charter)

File No. 1-3285
(Commission File Number)

Delaware
(State of incorporation)

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

3M Center
St. Paul, Minnesota
(Address of principal executive offices)

55144-1000
(Zip Code)

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

ITEM 9. REGULATION FD DISCLOSURE

BUSINESS SEGMENTS

Supplemental Unaudited New Business Segments Reporting
Effective January 1, 2003:

As more fully described in 3M's 2002 Annual Report on Form 10-K, in September 2002, 3M announced it would strategically realign its organization for faster growth and a closer focus on markets and customers. This realignment resulted in seven reportable business segments compared to the current structure of six reportable business segments. These structural changes were driven by 3M's strategic planning process and represent an important step toward access to its larger and faster-growing markets. Executive vice president appointments were effective October 1, 2002, but a three-month transition period was provided to realign the existing organization to the new structure. Internal management reporting for the new reportable business segments commenced January 1, 2003.

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3M provided in its "Management's Discussion and Analysis of Financial Condition and Results of Operations" section in its 2002 Annual Report on Form 10-K supplemental financial information related to these new business segments on an annual basis. This information was provided on a supplemental basis as the company did not operate under this new structure for these periods, and has only operated under this new structure since January 1, 2003.

3M is including in this Current Report on Form 8-K supplemental unaudited financial information on both an annual and quarterly basis for the years ended December 31, 2002, 2001 and 2000 reflecting the historical realigned segments. This supplemental financial information is being provided for the respective years to show the results on an interim basis for the realigned segments. The company did not operate under the realigned segments structure for any of these periods and will begin to report comparative results under the new structure with the filing of its Quarterly Report on Form 10-Q for the quarter ended March 31, 2003.

Supplemental Unaudited Financial Information:

NET SALES (Millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
<hr/>					
Health Care					
2002	\$ 845	\$ 896	\$ 901	\$ 918	\$ 3,560
2001	798	820	818	865	3,301
2000	736	761	744	766	3,007
Industrial					
2002	\$ 753	\$ 804	\$ 797	\$ 793	\$ 3,147
2001	859	804	758	742	3,163
2000	909	894	894	851	3,548
Consumer and Office					
2002	\$ 569	\$ 602	\$ 628	\$ 645	\$ 2,444
2001	654	621	630	618	2,523
2000	670	671	723	689	2,753
Display and Graphics					
2002	\$ 505	\$ 582	\$ 572	\$ 569	\$ 2,228
2001	498	526	504	469	1,997
2000	472	505	516	474	1,967
Electro and Communications					
2002	\$ 444	\$ 479	\$ 460	\$ 448	\$ 1,831
2001	591	565	497	454	2,107
2000	491	623	636	648	2,398
Safety, Security and Protection Services					
2002	\$ 413	\$ 445	\$ 423	\$ 405	\$ 1,686
2001	413	415	421	390	1,639
2000	415	434	400	366	1,615

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Transportation					
2002	\$ 349	\$ 339	\$ 351	\$ 349	\$ 1,388
2001	350	320	324	312	1,306
2000	370	340	342	325	1,377
Corporate and Unallocated					
2002	\$ 12	\$ 14	\$ 11	\$ 11	\$ 48
2001	1	2	9	6	18
2000	6	9	9	10	34
Total Company					
2002	\$3,890	\$4,161	\$4,143	\$4,138	\$16,332
2001	4,164	4,073	3,961	3,856	16,054
2000	4,069	4,237	4,264	4,129	16,699

Supplemental Unaudited Financial Information:

OPERATING INCOME (Millions)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year

Health Care					
2002	\$ 220	\$ 213	\$ 224	\$ 243	\$ 900
2001	162	188	189	214	753
2000	191	156	162	158	667
Industrial					
2002	\$ 111	\$ 131	\$ 130	\$ 115	\$ 487
2001	151	116	105	85	457
2000	170	156	169	146	641
Consumer and Office					
2002	\$ 105	\$ 108	\$ 121	\$ 114	\$ 448
2001	109	96	116	89	410
2000	105	100	130	102	437
Display and Graphics					
2002	\$ 117	\$ 146	\$ 142	\$ 129	\$ 534
2001	88	120	95	69	372
2000	122	126	125	101	474
Electro and Communications					
2002	\$ 52	\$ 79	\$ 67	\$ 55	\$ 253
2001	68	76	43	28	215
2000	88	103	109	99	399
Safety, Security and Protection Services					
2002	\$ 86	\$ 92	\$ 89	\$ 71	\$ 338
2001	77	75	82	68	302
2000	71	80	67	47	265
Transportation					
2002	\$ 85	\$ 80	\$ 88	\$ 80	\$ 333
2001	86	61	65	58	270

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2000	85	67	69	58	279
Corporate and Unallocated					
2002	\$ (63)	\$ (163)	\$ (10)	\$ (11)	\$ (247)
2001	(4)	(398)	(75)	(29)	(506)
2000	(17)	(11)	(12)	(64)	(104)
Total Company					
2002	\$ 713	\$ 686	\$ 851	\$ 796	\$ 3,046
2001	737	334	620	582	2,273
2000	815	777	819	647	3,058

As more fully described and consistent with the information provided in 3M's 2002 Annual Report on Form 10-K, all periods presented reflect the January 1, 2002, adoption of Emerging Issues Task Force Issue No. 00-25, "Vendor Income Statement Characterization of Consideration Paid to a Reseller of the Vendor's Products." This adoption resulted in a reclassification of approximately \$25 million of advertising expenses from selling, general and administrative expenses to net sales for 2001 and 2000, with no impact on operating income. This reclassification resulted in a reduction in both advertising expenses and net sales for these years.

Operating income in 2002 included restructuring charges recorded in Corporate and Unallocated of \$202 million (\$148 million in the second quarter, and \$54 million in the first quarter).

Operating income in 2001 included net charges of \$504 million (\$15 million in the fourth quarter, \$69 million in the third quarter, \$397 million in the second quarter, and \$23 million in the first quarter) related to the restructuring plan, acquisition-related costs, a reversal of a 1999 litigation accrual, and a gain related to the net impact of the sale and write-down of available-for-sale equity securities. These net charges were recorded in Corporate and Unallocated, except for acquisition-related costs in the first quarter that totaled \$23 million (\$10 million recorded in Health Care; \$7 million in Display and Graphics; and \$6 million in Electro and Communications).

Operating income in 2000 included net losses of \$23 million (\$74 million loss in the fourth quarter, a \$1 million net gain in the third quarter, and a \$50 million gain in the first quarter). This included \$168 million related to the company's phase-out of perfluorooctanyl-based chemistry products (recorded in Corporate and Unallocated), a \$20 million write-down of corporate and unallocated assets, and \$20 million of other charges (\$13 million related to acquisitions in the Electro and Communications segment; \$6 million in the fourth quarter and \$7 million in the third quarter). Operating income gains in 2000 of \$135 million were largely related to corporate and unallocated asset dispositions, principally the sale of available-for-sale equity securities. Operating income in the first quarter also included a \$50 million gain from the termination of a product distribution agreement in the Health Care segment.

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SIGNATURE

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

3M COMPANY

By: /s/ Gregg M. Larson

Gregg M. Larson,
Secretary

Dated: April 4, 2003