

3M Company and Subsidiaries
Consolidated Balance Sheet
At December 31

(Dollars in millions, except per share amount)	2016	2015
Assets		
Current assets		
Cash and cash equivalents	\$ 2,398	\$ 1,798
Marketable securities — current	280	118
Accounts receivable — net of allowances of \$88 and \$91	4,392	4,154
Inventories		
Finished goods	1,629	1,655
Work in process	1,039	1,008
Raw materials and supplies	717	855
Total inventories	3,385	3,518
Other current assets	1,271	1,398
Total current assets	11,726	10,986
Marketable securities — non-current	17	9
Investments	128	117
Property, plant and equipment	23,499	23,098
Less: Accumulated depreciation	(14,983)	(14,583)
Property, plant and equipment — net	8,516	8,515
Goodwill	9,166	9,249
Intangible assets — net	2,320	2,601
Prepaid pension benefits	52	188
Other assets	981	1,218
Total assets	\$ 32,906	\$ 32,883
Liabilities		
Current liabilities		
Short-term borrowings and current portion of long-term debt	\$ 972	\$ 2,044
Accounts payable	1,798	1,694
Accrued payroll	678	644
Accrued income taxes	299	332
Other current liabilities	2,472	2,404
Total current liabilities	6,219	7,118
Long-term debt	10,678	8,753
Pension and postretirement benefits	4,018	3,520
Other liabilities	1,648	2,024
Total liabilities	\$ 22,563	\$ 21,415
Commitments and contingencies (Note 14)		
Equity		
3M Company shareholders' equity:		
Common stock par value, \$.01 par value	\$ 9	\$ 9
Shares outstanding - 2016: 596,726,278		
Shares outstanding - 2015: 609,330,124		
Additional paid-in capital	5,061	4,791
Retained earnings	37,907	36,296
Treasury stock	(25,434)	(23,308)
Accumulated other comprehensive income (loss)	(7,245)	(6,359)
Total 3M Company shareholders' equity	10,298	11,429
Noncontrolling interest	45	39
Total equity	\$ 10,343	\$ 11,468
Total liabilities and equity	\$ 32,906	\$ 32,883

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

3M Company and Subsidiaries
Consolidated Statement of Changes in Equity
Years Ended December 31

(Dollars in millions, except per share amounts)	Total	3M Company Shareholders				Non-controlling Interest
		Common Stock and Additional Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	
Balance at December 31, 2013	\$ 17,669	\$ 4,384	\$ 32,137	\$ (15,385)	\$ (3,913)	\$ 446
Net income	4,998		4,956			42
Other comprehensive income (loss), net of tax:						
Cumulative translation adjustment	(942)				(948)	6
Defined benefit pension and post-retirement plans adjustment	(1,562)				(1,562)	—
Debt and equity securities - unrealized gain (loss)	2				2	—
Cash flow hedging instruments - unrealized gain (loss)	107				107	—
Total other comprehensive income (loss), net of tax	(2,395)					
Dividends declared (\$3.59 per share, Note 6)	(2,297)		(2,297)			
Purchase of subsidiary shares	(870)	(434)			25	(461)
Stock-based compensation, net of tax impacts	438	438				
Reacquired stock	(5,643)			(5,643)		
Issuances pursuant to stock option and benefit plans	963		(758)	1,721		
Balance at December 31, 2014	\$ 12,863	\$ 4,388	\$ 34,038	\$ (19,307)	\$ (6,289)	\$ 33
Net income	4,841		4,833			8
Other comprehensive income (loss), net of tax:						
Cumulative translation adjustment	(586)				(584)	(2)
Defined benefit pension and post-retirement plans adjustment	489				489	—
Debt and equity securities - unrealized gain (loss)	—				—	—
Cash flow hedging instruments - unrealized gain (loss)	25				25	—
Total other comprehensive income (loss), net of tax	(72)					
Dividends declared (\$3.075 per share, Note 6)	(1,913)		(1,913)			
Stock-based compensation, net of tax impacts	412	412				
Reacquired stock	(5,304)			(5,304)		
Issuances pursuant to stock option and benefit plans	641		(662)	1,303		
Balance at December 31, 2015	\$ 11,468	\$ 4,800	\$ 36,296	\$ (23,308)	\$ (6,359)	\$ 39
Net income	5,058		5,050			8
Other comprehensive income (loss), net of tax:						
Cumulative translation adjustment	(331)				(329)	(2)
Defined benefit pension and post-retirement plans adjustment	(524)				(524)	—
Debt and equity securities - unrealized gain (loss)	—				—	—
Cash flow hedging instruments - unrealized gain/(loss)	(33)				(33)	—
Total other comprehensive income (loss), net of tax	(888)					
Dividends declared (\$4.44 per share, Note 6)	(2,678)		(2,678)			
Stock-based compensation	270	270				
Reacquired stock	(3,699)			(3,699)		
Issuances pursuant to stock option and benefit plans	812		(761)	1,573		
Balance at December 31, 2016	\$ 10,343	\$ 5,070	\$ 37,907	\$ (25,434)	\$ (7,245)	\$ 45
Supplemental share information			2016	2015	2014	
Treasury stock						
Beginning balance			334,702,932	308,898,462	280,736,817	
Reacquired stock			22,602,748	34,072,584	40,664,061	
Issuances pursuant to stock options and benefit plans			(9,998,902)	(8,268,114)	(12,502,416)	
Ending balance			347,306,778	334,702,932	308,898,462	

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

3M Company and Subsidiaries
Consolidated Statement of Cash Flows
Years ended December 31

(Millions)	2016	2015	2014
Cash Flows from Operating Activities			
Net income including noncontrolling interest	\$ 5,058	\$ 4,841	\$ 4,998
Adjustments to reconcile net income including noncontrolling interest to net cash provided by operating activities			
Depreciation and amortization	1,474	1,435	1,408
Company pension and postretirement contributions	(383)	(267)	(215)
Company pension and postretirement expense	251	556	391
Stock-based compensation expense	298	276	280
Deferred income taxes	7	395	(146)
Excess tax benefits from stock-based compensation	—	(154)	(167)
Changes in assets and liabilities			
Accounts receivable	(313)	(58)	(268)
Inventories	57	3	(113)
Accounts payable	148	9	75
Accrued income taxes (current and long-term)	101	(744)	206
Other — net	(36)	128	177
Net cash provided by operating activities	6,662	6,420	6,626
Cash Flows from Investing Activities			
Purchases of property, plant and equipment (PP&E)	(1,420)	(1,461)	(1,493)
Proceeds from sale of PP&E and other assets	58	33	135
Acquisitions, net of cash acquired	(16)	(2,914)	(94)
Purchases of marketable securities and investments	(1,410)	(652)	(1,280)
Proceeds from maturities and sale of marketable securities and investments	1,247	1,952	2,034
Proceeds from sale of businesses	142	123	—
Other investing	(4)	102	102
Net cash used in investing activities	(1,403)	(2,817)	(596)
Cash Flows from Financing Activities			
Change in short-term debt — net	(797)	860	27
Repayment of debt (maturities greater than 90 days)	(992)	(800)	(1,625)
Proceeds from debt (maturities greater than 90 days)	2,832	3,422	2,608
Purchases of treasury stock	(3,753)	(5,238)	(5,652)
Proceeds from issuance of treasury stock pursuant to stock option and benefit plans	804	635	968
Dividends paid to shareholders	(2,678)	(2,561)	(2,216)
Excess tax benefits from stock-based compensation	—	154	167
Purchase of noncontrolling interest	—	—	(861)
Other — net	(42)	(120)	(19)
Net cash used in financing activities	(4,626)	(3,648)	(6,603)
Effect of exchange rate changes on cash and cash equivalents	(33)	(54)	(111)
Net increase (decrease) in cash and cash equivalents	600	(99)	(684)
Cash and cash equivalents at beginning of year	1,798	1,897	2,581
Cash and cash equivalents at end of period	\$ 2,398	\$ 1,798	\$ 1,897

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