

3M Invests in HydroNovation Inc. Series B Financing

ST. PAUL, Minn. & SAN FRANCISCO—January 23, 2012--3M New Ventures, the corporate venture organization of 3M, today announced an investment in HydroNovation Inc. of California, a developer of next- generation water conditioning systems for residential and food service industry applications. The Series B round financing included a second investment by Clean Pacific Ventures. Terms of the transaction were not disclosed.

Founded by the water technology pioneer Anil Jha in 2008, HydroNovation's water treatment systems reduce potentially hazardous substances and hardness minerals for optimal drinking water quality. Unlike conventional water softeners, these systems eliminate the need for chemical additives such as salt to treat water by applying a process called electro-deionization. The semiconductor and pharmaceutical industry have used this technology for many years to generate high purity water on a very large scale. HydroNovation has tailored this technology to the specific requirements of residential and small business customers to produce high quality drinking water for homes or buildings.

Hard water, a widespread problem in the U.S. and worldwide, contributes to white scaling, which can reduce the life and efficiency of plumbing and appliances. The traditional solution of salt-based water softeners causes concentrations of sodium chlorides in the waste water, an increasing concern to municipalities. As a result, regulation is being introduced in certain municipalities limiting the use of the traditional systems.

"We see 3M as an important strategic investment partner based on its extensive expertise in water treatment, water filtration and manufacturing at scale, as well as its premium reputation in this market," said Anil Jha, founder and CEO of HydroNovation. "We are excited about the opportunity to add 3M to our existing relationships as we finalize our system design, ramp up production, and open up new sales channels."

Stefan Gabriel, President of 3M New Ventures said: "We are delighted to announce our investment in HydroNovation. The combination of HydroNovation's advanced water conditioning technology with 3M's core capabilities in water filtration, membranes, and films will create new technical and sales opportunities for both companies. It provides homes and small businesses with high quality water, and helps to protect the environment."

3M Purification has been a leader in the residential water market for over forty years. Tom Hamlin, Director of R&D of 3M Purification, treatment division of 3M, commented: "A salt-free water softener has been sought by customers for a long time. The market has been plagued by ineffective solutions, but this technology has the potential to change the way we think about whole home water conditioning."

"We were pleased to join this new financing and recognize the significant progress HydroNovation has made in development and distribution of its new products in the two years since we initially funded them. We welcome 3M as value-added investor," said Jeff Barnes, General Partner of Clean Pacific Ventures and Chairman of HydroNovation.

Forward-Looking Statements

This news release contains forward-looking statements that involve risks, uncertainties and assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including any statements of the future plans, strategies and objectives of management. Other risks, uncertainties and assumptions are described in 3M's SEC reports, including but not limited to the risks described under "Risk Factors" in Part I, Item 1A of the Annual Report on Form 10-K for its fiscal year ended December 31, 2010 and in Part II, Item 1A in the Quarterly Reports on Form 10-Q for the fiscal quarter ended September 30, 2010. 3M assumes no obligation and does not intend to update these forward-looking statements.

About 3M New Ventures

3M New Ventures, headquartered in Munich, Germany, identifies and invests in highly innovative companies and disruptive new technologies with strategic relevance for 3M. The focus areas encompass energy, sustainability and water; health; electronics, IT and media; architecture, light and living; mobility and transportation; and safety and security. Recent investments made by 3M New Ventures include minority stakes in Ecovative Design LLC, a developer of novel environmentally responsible materials for packaging and other applications; Printechnologies GmbH, a printed electronics specialist providing innovative solutions for electronic circuitry on paper or foil; and PixelQi Corp., an innovative LCD display technology company working on sunlight-readable, low-power LCD panels. 3M recently received the 'Best Innovator' award in Germany for its best-in-class innovation management and corporate venturing.

About HydroNovation

HydroNovation Inc. develops and manufactures Electro Deionization modules and unique components for commercial and residential water treatment applications under the trademark HydroDI™ brand. The company's primary business goal is to partner with companies that supply complete solutions for these applications and customers.

For further information, visit www.hydrnovation.com

About Clean Pacific Ventures

Clean Pacific Ventures invests in capital efficient clean technology companies. The Fund searches for entrepreneurial management teams with clarity of purpose and who are dedicated to building premier clean technology businesses.

For further information, visit www.cleanpacific.com

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