

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited; in millions, except per share amounts)

| | Three months ended June 30, | | Six months ended June 30, | |
|---|--------------------------------|----------|------------------------------|----------|
| | 2015 | 2014 | 2015 | 2014 |
| Net sales | \$ 2,343 | \$ 2,482 | \$ 4,608 | \$ 4,771 |
| Cost of sales | 1,368 | 1,450 | 2,704 | 2,804 |
| Gross margin | 975 | 1,032 | 1,904 | 1,967 |
| Operating expenses: | | | | |
| Selling, general and administrative expenses | 337 | 322 | 653 | 719 |
| Research, development and engineering expenses | 191 | 208 | 380 | 406 |
| Amortization of purchased intangibles | 16 | 8 | 28 | 16 |
| Restructuring, impairment and other charges | — | 34 | — | 51 |
| Operating income | 431 | 460 | 843 | 775 |
| Equity in earnings of affiliated companies | 62 | 62 | 156 | 148 |
| Interest income | 5 | 4 | 10 | 16 |
| Interest expense | (33) | (30) | (63) | (60) |
| Transaction-related gain, net | — | — | — | 74 |
| Foreign currency hedge gain (loss), net | 164 | (137) | 206 | (143) |
| Other (expense) income, net | (23) | (18) | (53) | 12 |
| Income before income taxes | 606 | 341 | 1,099 | 822 |
| Provision for income taxes | (110) | (172) | (196) | (352) |
| Net income attributable to Corning Incorporated | \$ 496 | \$ 169 | \$ 903 | \$ 470 |
| Earnings per common share attributable to Corning Incorporated: | | | | |
| Basic | \$ 0.38 | \$ 0.11 | \$ 0.68 | \$ 0.32 |
| Diluted | \$ 0.36 | \$ 0.11 | \$ 0.65 | \$ 0.32 |
| Dividends declared per common share (1) | \$ 0.12 | \$ 0.10 | \$ 0.12 | \$ 0.20 |

(1) The first quarter 2015 dividend was declared on December 3, 2014.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited; in millions)

| | Three months ended June 30, | | Six months ended June 30, | |
|---|--------------------------------|---------------|------------------------------|---------------|
| | 2015 | 2014 | 2015 | 2014 |
| Net income attributable to Corning Incorporated | \$ 496 | \$ 169 | \$ 903 | \$ 470 |
| Foreign currency translation adjustments and other | (40) | 269 | (296) | 137 |
| Net unrealized (losses) gains on investments | | (9) | 1 | 4 |
| Unamortized gains (losses) and prior service credits (costs) for postretirement benefit plans | 5 | (6) | 6 | 3 |
| Net unrealized gains (losses) on designated hedges | | 1 | 5 | (3) |
| Other comprehensive (loss) income, net of tax | (35) | 255 | (284) | 141 |
| Comprehensive income attributable to Corning Incorporated | <u>\$ 461</u> | <u>\$ 424</u> | <u>\$ 619</u> | <u>\$ 611</u> |

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS

(Unaudited; in millions, except share and per share amounts)

| | <u>June 30,</u> <u>2015</u> | <u>December 31,</u> <u>2014</u> |
|--|--------------------------------|------------------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 4,968 | \$ 5,309 |
| Short-term investments, at fair value | 505 | 759 |
| Total cash, cash equivalents and short-term investments | <u>5,473</u> | <u>6,068</u> |
| Trade accounts receivable, net of doubtful accounts and allowances | 1,545 | 1,501 |
| Inventories, net of inventory reserves | 1,385 | 1,322 |
| Deferred income taxes | 291 | 248 |
| Other current assets | 1,174 | 1,099 |
| Total current assets | <u>9,868</u> | <u>10,238</u> |
| Investments | 1,844 | 1,801 |
| Property, plant and equipment, net of accumulated depreciation | 12,669 | 12,766 |
| Goodwill, net | 1,343 | 1,150 |
| Other intangible assets, net | 700 | 497 |
| Deferred income taxes | 1,808 | 1,889 |
| Other assets | 1,656 | 1,722 |
| Total Assets | <u>\$ 29,888</u> | <u>\$ 30,063</u> |
| Liabilities and Equity | | |
| Current liabilities: | | |
| Current portion of long-term debt | \$ 102 | \$ 36 |
| Accounts payable | 930 | 997 |
| Other accrued liabilities | 990 | 1,291 |
| Total current liabilities | <u>2,022</u> | <u>2,324</u> |
| Long-term debt | 3,910 | 3,227 |
| Postretirement benefits other than pensions | 781 | 814 |
| Other liabilities | 2,120 | 2,046 |
| Total liabilities | <u>8,833</u> | <u>8,411</u> |
| Commitments and contingencies | | |
| Shareholders' equity: | | |
| Convertible preferred stock, Series A – Par value \$100 per share; Shares authorized 3,100; Shares issued: 2,300 | 2,300 | 2,300 |
| Common stock – Par value \$0.50 per share; Shares authorized 3.8 billion; Shares issued: 1,680 million and 1,672 million | 840 | 836 |
| Additional paid-in capital – common stock | 13,578 | 13,456 |
| Retained earnings | 13,727 | 13,021 |
| Treasury stock, at cost; Shares held: 449 million and 398 million | (7,871) | (6,727) |
| Accumulated other comprehensive loss | (1,591) | (1,307) |
| Total Corning Incorporated shareholders' equity | <u>20,983</u> | <u>21,579</u> |
| Noncontrolling interests | 72 | 73 |
| Total equity | <u>21,055</u> | <u>21,652</u> |
| Total Liabilities and Equity | <u>\$ 29,888</u> | <u>\$ 30,063</u> |

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; in millions)

| | Three months ended | | Six months ended | |
|---|--------------------|-----------------|------------------|-----------------|
| | June 30, | | June 30, | |
| | 2015 | 2014 | 2015 | 2014 |
| Cash Flows from Operating Activities: | | | | |
| Net income | \$ 496 | \$ 169 | \$ 903 | \$ 470 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation | 283 | 294 | 562 | 583 |
| Amortization of purchased intangibles | 16 | 8 | 28 | 16 |
| Restructuring, impairment and other charges | | 34 | | 51 |
| Stock compensation charges | 15 | 13 | 25 | 28 |
| Equity in earnings of affiliated companies | (62) | (62) | (156) | (148) |
| Dividends received from affiliated companies | 47 | 31 | 95 | 1,641 |
| Deferred tax expense provision | 36 | 81 | 31 | 103 |
| Restructuring payments | (10) | (6) | (23) | (17) |
| Employee benefit payments in excess of expense | (2) | (11) | (8) | (28) |
| (Gains) losses on foreign currency hedges related to translated earnings | (162) | 141 | (191) | 139 |
| Unrealized translation (gains) losses on transactions | (62) | (44) | 236 | (60) |
| Changes in certain working capital items: | | | | |
| Trade accounts receivable | (60) | (32) | (25) | (11) |
| Inventories | (53) | 16 | (54) | 13 |
| Other current assets | (87) | | (100) | 28 |
| Accounts payable and other current liabilities | 123 | 29 | (191) | (384) |
| Other, net | 29 | 82 | 16 | 56 |
| Net cash provided by operating activities | 547 | 743 | 1,148 | 2,480 |
| Cash Flows from Investing Activities: | | | | |
| Capital expenditures | (308) | (232) | (641) | (478) |
| Acquisitions of business, net of cash (paid) received | | | (531) | 66 |
| Investment in unconsolidated entities | (33) | | (33) | (109) |
| Proceeds from loan repayments from unconsolidated entities | 2 | 6 | 6 | 11 |
| Short-term investments – acquisitions | (286) | (358) | (570) | (803) |
| Short-term investments – liquidations | 543 | 236 | 825 | 574 |
| Realized gains on foreign currency hedges related to translated earnings | 172 | 63 | 321 | 152 |
| Other, net | | 3 | | 4 |
| Net cash provided by (used in) investing activities | 90 | (282) | (623) | (583) |
| Cash Flows from Financing Activities: | | | | |
| Net repayments of short-term borrowings and current portion of long-term debt | | (34) | | (42) |
| Principal payments under capital lease obligations | (1) | (1) | (1) | (1) |
| Proceeds from issuance of short-term debt | 2 | 17 | 2 | 17 |
| Proceeds from issuance of long-term debt | 745 | | 745 | |
| (Repayments on) proceeds from issuance of commercial paper | | (2) | | 416 |
| Proceeds from issuance of preferred stock (1) | | | | 400 |
| Payments from settlement of interest rate swap agreements | (1) | | (10) | |
| Proceeds from the exercise of stock options | 9 | 34 | 98 | 84 |
| Repurchases of common stock for treasury | (616) | (175) | (1,093) | (2,076) |
| Dividends paid | (173) | (151) | (350) | (287) |
| Net cash used in financing activities | (35) | (312) | (609) | (1,489) |
| Effect of exchange rates on cash | 62 | 1 | (257) | 6 |
| Net increase (decrease) in cash and cash equivalents | 664 | 150 | (341) | 414 |
| Cash and cash equivalents at beginning of period | 4,304 | 4,968 | 5,309 | 4,704 |
| Cash and cash equivalents at end of period | \$ 4,968 | \$ 5,118 | \$ 4,968 | \$ 5,118 |

(1) In the first quarter of 2014, Corning issued 1,900 shares of Preferred Stock to Samsung Display Co., Ltd. in connection with the acquisition of their equity interests in Samsung Corning Precision Materials Co., Ltd. Corning also issued to Samsung Display an additional 400 shares of Preferred Stock at closing, for an issue price of \$400 million in cash.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
(Unaudited)

GAAP Earnings per Common Share

The following table sets forth the computation of GAAP basic and diluted earnings per common share (in millions, except per share amounts):

| | Three months ended June 30, | | Six months ended June 30, | |
|--|--------------------------------|----------------|------------------------------|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| Net income attributable to Corning Incorporated | \$ 496 | \$ 169 | \$ 903 | \$ 470 |
| Less: Series A convertible preferred stock dividend | 24 | 24 | 49 | 45 |
| Net income available to common stockholders – basic | 472 | 145 | 854 | 425 |
| Add: Series A convertible preferred stock dividend | 24 | | 49 | |
| Net income available to common stockholders - diluted | \$ 496 | \$ 145 | \$ 903 | \$ 425 |
| Weighted-average common shares outstanding - basic | 1,246 | 1,302 | 1,257 | 1,331 |
| Effect of dilutive securities: | | | | |
| Stock options and other dilutive securities | 10 | 13 | 11 | 12 |
| Series A convertible preferred stock | 115 | | 115 | |
| Weighted-average common shares outstanding - diluted | 1,371 | 1,315 | 1,383 | 1,343 |
| Basic earnings per common share | \$ 0.38 | \$ 0.11 | \$ 0.68 | \$ 0.32 |
| Diluted earnings per common share | \$ 0.36 | \$ 0.11 | \$ 0.65 | \$ 0.32 |

Core Earnings per Common Share

The following table sets forth the computation of core basic and core diluted earnings per common share (in millions, except per share amounts):

| | Three months ended June 30, | | Six months ended June 30, | |
|---|--------------------------------|----------------|------------------------------|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| Core net income attributable to Corning Incorporated | \$ 522 | \$ 487 | \$ 1,006 | \$ 910 |
| Less: Series A convertible preferred stock dividend | 24 | 24 | 49 | 45 |
| Core net income available to common stockholders - basic | 498 | 463 | 957 | 865 |
| Add: Series A convertible preferred stock dividend | 24 | 24 | 49 | 45 |
| Core net income available to common stockholders - diluted | \$ 522 | \$ 487 | \$ 1,006 | \$ 910 |
| Weighted-average common shares outstanding - basic | 1,246 | 1,302 | 1,257 | 1,331 |
| Effect of dilutive securities: | | | | |
| Stock options and other dilutive securities | 10 | 13 | 11 | 12 |
| Series A convertible preferred stock | 115 | 115 | 115 | 106 |
| Weighted-average common shares outstanding - diluted | 1,371 | 1,430 | 1,383 | 1,449 |
| Core basic earnings per common share | \$ 0.40 | \$ 0.36 | \$ 0.76 | \$ 0.65 |
| Core diluted earnings per common share | \$ 0.38 | \$ 0.34 | \$ 0.73 | \$ 0.63 |

CORE PERFORMANCE MEASURES

In managing the Company and assessing our financial performance, we supplement certain measures provided by our consolidated financial statements with measures adjusted to exclude certain items, to arrive at core performance measures. We believe reporting core performance measures provides investors greater transparency to the information used by our management team to make financial and operational decisions. Corning has adopted the use of constant currency reporting for the Japanese yen and Korean won, and uses an internally derived management rate which is closely aligned to our foreign currency hedges. In the first quarter of 2015, we changed the yen-to-dollar management rate from ¥93 to ¥99 to closely align with the yen-denominated hedges entered into for the years 2015 through 2017. Prior periods presented have been recast based on the new rate.

Net sales, equity in earnings of affiliated companies, and net income are adjusted to exclude the impacts of changes in the Japanese yen and the Korean won, gains and losses on our foreign currency hedges related to translated earnings, acquisition-related costs, discrete tax items, restructuring and restructuring-related charges, certain litigation-related expenses, pension mark-to-market adjustments, and other items which do not reflect on-going operating results of the Company or our equity affiliates. Management discussion and analysis on our reportable segments has also been adjusted for these items, as appropriate. These measures are not prepared in accordance with GAAP. We believe investors should consider these non-GAAP measures in evaluating our results as they are more indicative of our core operating performance and how management evaluates our operational results and trends. These measures are not, and should not be viewed as a substitute for GAAP reporting measures. For a reconciliation of non-GAAP performance measures and a further discussion of the measures, please see “Reconciliation of Non-GAAP Measures” below.

Items which we exclude from GAAP measures to arrive at core performance measures are as follows:

- (1) Constant-currency adjustments:
 - Constant-yen: Because a significant portion of Display Technologies segment revenues and manufacturing costs are denominated in Japanese yen, management believes it is important to understand the impact on core earnings of translating yen into dollars. Presenting results on a constant-yen basis mitigates the translation impact of the Japanese yen, and allows management to evaluate performance period over period, analyze underlying trends in our businesses, and establish operational goals and forecasts. As of January 1, 2015, we used an internally derived management rate of ¥99, which is closely aligned to our current yen portfolio of foreign currency hedges, and have recast all periods presented based on this rate in order to effectively remove the impact of changes in the Japanese yen.
 - Constant-won: Following the acquisition of Samsung Corning Precision Materials and because a significant portion of Corning Precision Materials’ costs are denominated in Korean won, management believes it is important to understand the impact on core earnings from translating won into dollars. Presenting results on a constant-won basis mitigates the translation impact of the Korean won, and allows management to evaluate performance period over period, analyze underlying trends in our businesses, and establish operational goals and forecasts without the variability caused by the fluctuations caused by changes in the rate of this currency. We use an internally derived management rate of 1,100, which is consistent with historical prior period averages of the won.
- (2) Foreign currency hedges related to translated earnings: We have excluded the impact of the gains and losses of our foreign currency hedges related to translated earnings for each period presented.
- (3) Acquisition-related costs: These expenses include intangible amortization, inventory valuation adjustments and external acquisition-related deal costs.

- (4) Discrete tax items and other tax-related adjustments: This represents the removal of discrete adjustments attributable to changes in tax law and changes in judgment about the realizability of certain deferred tax assets, as well as other non-operational tax-related adjustments. This item also includes the income tax effects of adjusting from GAAP earnings to core earnings.
- (5) Litigation, regulatory and other legal matters: Includes amounts related to the Pittsburgh Corning Corporation (PCC) asbestos litigation, adjustments to our estimated liability for environmental-related items and other legal matters.
- (6) Restructuring, impairment and other charges: This amount includes restructuring, impairment and other charges, as well as other expenses and disposal costs not classified as restructuring expense.
- (7) Liquidation of subsidiary: The partial impact of non-restructuring related items due to the decision to liquidate a consolidated subsidiary that is not significant.
- (8) Equity in earnings of affiliated companies: These adjustments relate to items which do not reflect expected on-going operating results of our affiliated companies, such as restructuring, impairment and other charges and settlements under “take-or-pay” contracts.
- (9) Impacts from the acquisition of Samsung Corning Precision Materials: Pre-acquisition gains and losses on previously held equity investment and other gains and losses related to the acquisition, including post-combination expenses, fair value adjustments to the indemnity asset related to contingent consideration and the impact of the withholding tax on a dividend from Samsung Corning Precision Materials.
- (10) Post-combination expenses: Post-combination expenses incurred as a result of an acquisition in the first quarter of 2015.
- (11) Pension mark-to-market: Mark-to-market pension gains and losses, which arise from changes in actuarial assumptions and the difference between actual and expected returns on plan assets and discount rates.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP
FINANCIAL MEASURE

Three Months Ended June 30, 2015

(Unaudited; amounts in millions, except percentages and per share amounts)

| | Three months ended June 30, 2015 | | | | | |
|---|----------------------------------|-----------------|---------------------|---------------|--------------------|-------------|
| | Net sales | Equity earnings | Income before taxes | Net income | Effective tax rate | Per share |
| As reported | \$ 2,343 | \$ 62 | \$ 606 | \$ 496 | 18.2% | 0.36 |
| Constant-yen (1) | 174 | 2 | 141 | 104 | | 0.08 |
| Constant-won (1) | | | 1 | | | |
| Foreign currency hedges related to translated earnings (2) | | | (162) | (101) | | (0.07) |
| Acquisition-related costs (3) | | | 12 | 7 | | 0.01 |
| Litigation, regulatory and other legal matters (5) | | | 2 | 1 | | |
| Restructuring, impairment and other charges (6) | | | 3 | 2 | | |
| Equity in earnings of affiliated companies (8) | | 7 | 7 | 7 | | 0.01 |
| Impacts from the acquisition of Samsung Corning Precision Materials (9) | | | (11) | (9) | | (0.01) |
| Post-combination expenses (10) | | | 16 | 10 | | 0.01 |
| Pension mark-to-market (11) | | | 8 | 5 | | |
| Core performance measures | \$ 2,517 | \$ 71 | \$ 623 | \$ 522 | 16.2% | 0.38 |

See Use of Non-GAAP Financial Measures, “Items which we exclude from GAAP measures to arrive at core performance measures” for the descriptions of the footnoted reconciling items.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP
FINANCIAL MEASURE

Three Months Ended June 30, 2014

(Unaudited; amounts in millions, except percentages and per share amounts)

| | Three months ended June 30, 2014 | | | | | |
|---|----------------------------------|-----------------|---------------------|---------------|--------------------|-------------|
| | Net sales | Equity earnings | Income before taxes | Net income | Effective tax rate | Per share |
| As reported | \$ 2,482 | \$ 62 | \$ 341 | \$ 169 | 50.4% | 0.11 |
| Constant-yen (1) * | 30 | | 26 | 19 | | 0.01 |
| Constant-won (1) | | | 17 | 12 | | 0.01 |
| Foreign currency hedges related to translated earnings (2) | | | 141 | 82 | | 0.06 |
| Acquisition-related costs (3) | | | 10 | 7 | | |
| Discrete tax items and other tax-related adjustments (4) | | | | 164 | | 0.11 |
| Litigation, regulatory and other legal matters (5) | | | 4 | 2 | | |
| Restructuring, impairment and other charges (6) | | | 39 | 29 | | 0.02 |
| Equity in earnings of affiliated companies (8) | | (5) | (5) | (5) | | |
| Impacts from the acquisition of Samsung Corning Precision Materials (9) | | | 10 | 8 | | 0.01 |
| Core performance measures | \$ 2,512 | \$ 57 | \$ 583 | \$ 487 | 16.5% | 0.34 |

* In the first quarter of 2015, we changed the yen-to-dollar management rate from ¥93 to ¥99 to closely align with the yen-denominated hedges entered into for the years 2015 through 2017. Prior periods presented have been recast based on the new rate.

See Use of Non-GAAP Financial Measures, “Items which we exclude from GAAP measures to arrive at core performance measures” for the descriptions of the footnoted reconciling items.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP
FINANCIAL MEASURE

Three Months Ended June 30, 2015 and 2014
(Unaudited; amounts in millions, except percentages)

| | Three months ended June 30, 2015 | | | | Three months ended June 30, 2014 | | | | |
|---|----------------------------------|----------------|----------------|--------------------------------------|----------------------------------|----------------|----------------|--------------------------------------|---|
| | Net sales | Gross margin | Gross margin % | Selling, general and admin. expenses | Net sales | Gross margin | Gross margin % | Selling, general and admin. expenses | Research development and engineering expenses |
| As reported | \$2,343 | \$ 975 | 42% | \$337 | \$2,482 | \$1,032 | 42% | \$322 | \$208 |
| Constant-yen (1)* | 174 | 140 | | | 30 | 26 | | 1 | |
| Constant-won | | | | | | 13 | | (2) | (2) |
| Acquisition-related costs (3) | | | | 4 | | | | | |
| Restructuring, impairment and other charges (6) | | 3 | | | | 18 | | 16 | |
| Impacts from the acquisition of Samsung Corning Precision Materials (9) | | 2 | | 12 | | 14 | | | |
| Post-combination expenses (10) | | | | (16) | | | | | |
| Pension mark-to-market (11) | | | | (8) | | | | | |
| Core performance measures | \$2,517 | \$1,120 | 45% | \$329 | \$2,512 | \$1,103 | 44% | \$337 | \$206 |

* In the first quarter of 2015, we changed the yen-to-dollar management rate from ¥93 to ¥99 to closely align with the yen-denominated hedges entered into for the years 2015 through 2017. Prior periods presented have been recast based on the new rate.

See Use of Non-GAAP Financial Measures, “Items which we exclude from GAAP measures to arrive at core performance measures” for the descriptions of the footnoted reconciling items.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP
FINANCIAL MEASURE

Display Technologies Segment

Three Months Ended June 30, 2015 and 2014

(Unaudited; amounts in millions, except percentages)

| | Three months ended June 30, 2015 | | Three months ended June 30, 2014 | | % Increase/decrease | |
|---|-------------------------------------|---------------|-------------------------------------|---------------|---------------------|---------------|
| | Net sales | Net income | Net sales | Net income | Net sales | Net income |
| As reported | \$ 789 | \$ 303 | \$ 987 | \$ 282 | (20)% | 7% |
| Constant-yen (1) * | 174 | 105 | 30 | 19 | | |
| Constant-won (1) | | | | 11 | | |
| Foreign currency hedges related to translated earnings (2) | | (108) | | (53) | | |
| Acquisition-related costs (3) | | | | 2 | | |
| Discrete tax items and other tax-related adjustments (4) | | | | 4 | | |
| Restructuring, impairment and other charges (6) | | | | 27 | | |
| Impacts from the acquisition of Samsung Corning Precision Materials (9) | | (10) | | 8 | | |
| Core performance measures | \$ 963 | \$ 290 | \$ 1,017 | \$ 300 | (5)% | (3)% |

* In the first quarter of 2015, we changed the yen-to-dollar management rate from ¥93 to ¥99 to closely align with the yen-denominated hedges entered into for the years 2015 through 2017. Prior periods presented have been recast based on the new rate.

See Use of Non-GAAP Financial Measures, “Items which we exclude from GAAP measures to arrive at core performance measures” for the descriptions of the footnoted reconciling items.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP
FINANCIAL MEASURE

Optical Communications Segment

Three Months Ended June 30, 2015 and 2014

(Unaudited; amounts in millions, except percentages)

| | Three months ended June 30, 2015 | | Three months ended June 30, 2014 | | % Increase/decrease | |
|--------------------------------|-------------------------------------|---------------|-------------------------------------|---------------|---------------------|---------------|
| | Net sales | Net income | Net sales | Net income | Net sales | Net income |
| As reported – GAAP | \$ 800 | \$ 77 | \$ 686 | \$ 61 | 17% | 26% |
| Acquisition-related costs (3) | | 4 | | 2 | | |
| Post combination expenses (10) | | 10 | | | | |
| Core performance | \$ 800 | \$ 91 | \$ 686 | \$ 63 | 17% | 44% |

See Use of Non-GAAP Financial Measures, “Items which we exclude from GAAP measures to arrive at core performance measures” for the descriptions of the footnoted reconciling items.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP
FINANCIAL MEASURE

Environmental Technologies Segment
Three Months Ended June 30, 2015 and 2014
(Unaudited; amounts in millions, except percentages)

| | Three months ended June 30, 2015 | | Three months ended June 30, 2014 | | % Increase/decrease | |
|---|-------------------------------------|---------------|-------------------------------------|---------------|---------------------|---------------|
| | Net sales | Net income | Net sales | Net income | Net sales | Net income |
| As reported and Core performance measures | \$ 260 | \$ 46 | \$ 285 | \$ 47 | (9)% | (2)% |

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP
FINANCIAL MEASURE
Specialty Materials Segment
Three Months Ended June 30, 2015 and 2014
(Unaudited; amounts in millions, except percentages)

| | Three months ended June 30, 2015 | | Three months ended June 30, 2014 | | % Increase/decrease | |
|--|-------------------------------------|---------------|-------------------------------------|---------------|---------------------|---------------|
| | Net sales | Net income | Net sales | Net income | Net sales | Net income |
| As reported | \$ 272 | \$ 44 | \$ 298 | \$ 39 | (9)% | 13% |
| Constant-yen (1) * | | (2) | | | | |
| Foreign currency hedges related to translated earnings (2) | | | | 3 | | |
| Restructuring, impairment and other charges (6) | | 2 | | 3 | | |
| Core performance measures | \$ 272 | \$ 44 | \$ 298 | \$ 45 | (9)% | (2)% |

* In the first quarter of 2015, we changed the yen-to-dollar management rate from ¥93 to ¥99 to closely align with the yen-denominated hedges entered into for the years 2015 through 2017. Prior periods presented have been recast based on the new rate.

See Use of Non-GAAP Financial Measures, “Items which we exclude from GAAP measures to arrive at core performance measures” for the descriptions of the footnoted reconciling items.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP
FINANCIAL MEASURE

Life Sciences Segment

Three Months Ended June 30, 2015 and 2014

(Unaudited; amounts in millions, except percentages)

| | Three months ended June 30, 2015 | | Three months ended June 30, 2014 | | % Increase/decrease | |
|----------------------------------|-------------------------------------|---------------|-------------------------------------|---------------|---------------------|---------------|
| | Net sales | Net income | Net sales | Net income | Net sales | Net income |
| As reported | \$ 211 | \$ 18 | \$ 223 | \$ 18 | (5)% | |
| Acquisition-related costs (3) | | 3 | | 4 | | |
| Core performance measures | \$ 211 | \$ 21 | \$ 223 | \$ 22 | (5)% | (5)% |

See Use of Non-GAAP Financial Measures, “Items which we exclude from GAAP measures to arrive at core performance measures” for the descriptions of the footnoted reconciling items.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP
FINANCIAL MEASURE
Dow Corning Corporation
Three Months Ended June 30, 2015 and 2014
(Unaudited; amounts in millions, except percentages)

| | Three months ended June 30, 2015 | Three months ended June 30, 2014 | % Increase/ decrease |
|--|---|---|-------------------------|
| As reported | \$ 57 | \$ 54 | |
| Equity in earnings of affiliated companies (8) | 6 | (5) | |
| Core performance measures | \$ 63 | \$ 49 | 29% |

See Use of Non-GAAP Financial Measures, “Items which we exclude from GAAP measures to arrive at core performance measures” for the descriptions of the footnoted reconciling items.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP
FINANCIAL MEASURE
Three Months Ended June 30, 2015 and 2014
(Unaudited; amounts in millions)

| | Three months ended June 30, 2015 | Three months ended June 30, 2014 |
|---|---|---|
| Cash flows from operating activities | \$ 547 | \$ 743 |
| Cash flows from investing activities | 90 | (282) |
| Plus: Short-term investments – acquisitions | 286 | 358 |
| Less: Short-term investments – liquidations | (543) | (236) |
| Free cash flow | \$ 380 | \$ 583 |