

Appendix Slides for 2016 Investor Day Presentation

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

This document contains "forward-looking statements" – that is, statements related to future events that by their nature address matters that are, to different degrees, uncertain. For details on the uncertainties that may cause our actual future results to be materially different than those expressed in our forward-looking statements, see our annual reports on Form 10-K and quarterly reports on Form 10-Q. We do not undertake to update our forward-looking statements. This document also includes certain forward-looking projected financial information that is based on current estimates and forecasts. Actual results could differ materially.

Reconciliation of Non-GAAP Measures

We utilize certain financial measures and key performance indicators that are not calculated in accordance with GAAP to assess our financial and operating performance. A non-GAAP financial measure is defined as a numerical measure of a company's financial performance that (i) excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the comparable measure calculated and presented in accordance with GAAP in the statement of income or statement of cash flows, or (ii) includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the comparable measure so calculated and presented.

Core Performance net sales, Core Performance equity earnings of affiliated companies and Core Earnings are non-GAAP financial measures utilized by our management to analyze financial performance without the impact of items that are driven by general economic conditions and events that do not reflect the underlying fundamentals and trends in the Company's operations.

The reconciliation between these non-GAAP measures and their most directly comparable GAAP measure can be found on the company's investor relations website.

Total Company Tax Rate

- Total Effective Tax Rate
 - 2015: 14%
 - 2016: ~16-17%

Core earnings yen rate = 99

These are non-GAAP measures; Definitions and reconciliations are provided on our web site

Foreign Exchange to GAAP Earnings

- FX impacts Corning's results; U.S. reporting requires:
 - Translation of foreign currency to dollars
 - Recording fair value (mark-to-market) of entire hedge portfolio and quarterly contract settlements
- Impact of translation on our 2016 results:
 - 1 point move in Yen/U.S. exchange rate changes NPAT by ~\$4.8M / quarter
 - Translation offset by quarterly hedge contracts

Yen Hedging

- Core earnings constant currency:
 - USD/JPY = 99
 - KRW/USD = 1,100
- Hedged ~70% of our yen exposure from 2016-2022
- Hedged at an average rate of 106 USD/JPY from 2016-2022
- Hedges further protect earnings and operating cash flow from weak yen exchange rates
- Hedges increase certainty of returning >\$10B to shareholders

Invest in Our Future: Capital Spending

- Maintenance Capital Spending

	2015	2016
Display	\$330M	
Optical Communications	\$60M	
Specialty	\$60M	
Environmental	\$30M	
Life Sciences	\$20M	
Other	\$185M	
Total	~\$650-750M	~\$750-850M

Our Priorities for Cash

Invest in Our Future: Capital Spending

Total Capital Spending (\$ in millions)

	2014	2015	2016F
Display	\$ 417	\$ 546	
Optical Communications	126	186	
Specialty	60	130	
Environmental	149	140	
Life Sciences	29	31	
Other	<u>295</u>	<u>217</u>	
Total	\$1,076	\$1,250	\$1,300

Key Cash Statistics

\$ in millions

	2014 Actuals	2015 Actuals	2016 Plan
Depreciation & Amortization	1,200	1,184	1,220
Cash Paid for Taxes	(577)	(253)	(289)
Net Customer Credits	0	270	275
Pension Contributions	(130)	(100)	(98)
Dividends Paid [*]	(591)	(679)	(681)
Capital Spending	\$1,076	\$1,250	\$1,300

Long Term Debt Maturity Schedule

Debt Maturities* (\$M)	12/31/15
2016	91
2017	257
2018	378
2019	253
2020	304
2021	66
2022 – 2042	<u>\$2,647</u>
Total Debt	\$3,996

* Excludes commercial paper

Segment Depreciation

\$ in millions

	2013	2014	2015
Display	\$481	\$676	\$605
Optical Communications	147	154	163
Environmental	120	119	125
Specialty Materials	137	113	112
Life Sciences	57	60	60
Other	<u>18</u>	<u>31</u>	<u>43</u>
Total	\$960	\$1,153	\$1,108

As disclosed in 10-K Segment Footnote
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U.S. Qualified Pension Plan

- Our pension plan is well funded
 - MV Assets/PBO liability: ~91% funded
 - \$60M cash contributions expected in 2016
- 2015 pension plan performance -4.2%

U.S. Pensions

- Assumptions

	<u>2016</u>	<u>2015</u>
Discount rate	4.24%	4.00%
Expected return on plan assets	6.00%	6.00%

- Asset allocation

	<u>Year End 2015</u>
Fixed income	62%
Global equities	25%
Private equity	7%
Real estate	2%
Commodities	4%

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