

# CORNING

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Vice-Chairman and Chief Financial Officer  
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## Forward-Looking and Cautionary Statements

Certain statements in this presentation constitute “forward-looking” statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on current expectations and involve certain risks and uncertainties. Actual results might differ from those projected in the forward-looking statements. Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements is contained in the Securities and Exchange Commission filings on the Company and at the end of this presentation.

## Agenda

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### Q4 Guidance

#### Hot Topics:

- Display
- Samsung equity companies
- Telecom
- Diesel
- Dow Corning

#### Q&A

## We are Reiterating our Q4 Guidance

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Sales	\$1.53 billion - \$1.56 billion
EPS excluding special items*	\$0.38 - \$0.40
Gross Margin	48% - 49%
Equity Earnings	Up 5% sequentially
Sequential Display Volume	
Wholly-Owned	Upper end of 2% - 5% range
SCP	Upper end of 2% - 5% range

\*This is a Non-GAAP measure. Please see a reconciliation to GAAP on our website and at the back of this presentation.

## 2007 Performance

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	2007	2006	YOY Change
Sales (in millions)	~\$5,800	\$5,174	~12%
EPS, ex specials*	\$1.38 - \$1.40	\$1.12	>23%

\*This is a Non-GAAP measure. Please see a reconciliation to GAAP on our website and at the back of this presentation.

## Agenda

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### Q4 Guidance

### Hot Topics:

- Display
- Samsung equity companies
- Telecom
- Diesel
- Dow Corning

### Q&A

## Hot Topics – Display

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- Supply chain very healthy
- Panel makers running at peak utilization
  - Inventory levels declining
- End market trends are favorable
  - No indication of credit concerns
- Corning and SCP currently running at full capacity to meet demand
  - Our inventories are low

## Hot Topics – Display Supply Chain “101”

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- Glass to Panel Makers > Inventory
  - Panel Makers to “Set Assembly” > Inventory
  - “Set Assembly” to Retail > Inventory
  - Retail to Consumer
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- Growing end market requires inventory to support
  - Seasonal cycle can cause inventory to build Q1–Q3 especially at set assembly in Q2 / Q3

## Hot Topics – Display

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- Pricing strategy has worked
  - Declines just 8% Q4 YOY
- Effective cost reduction programs
  - Display gross margins will be higher 2007 vs. 2006
- 2008 glass supply / demand expected to be tight
  - >400 million square feet additional market demand
- Maintaining consistent pricing strategy in 2008
  - We have already negotiated 2008 pricing with some customers
- We are anticipating another year of robust cost reductions

## Hot Topics – Display

### OLEDs (Organic Light Emitting Diode)

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- OLEDs are an emerging, next generation technology
  - Emit their own colored light
  - Bright, pleasing image
  - Currently limited to small displays
- Potential to be a lower cost alternative to LCD displays
  - Could eliminate backlight, color filter and liquid crystal
- Inherent issues and hurdles to overcome:
  - Short life
  - Require a moisture free environment (hermetic seal)
  - High manufacturing cost
    - Very low production yields
  - Minimum industry structure

## Hot Topics – Display

### OLEDs

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- We expect Corning to have a significant role in the future of OLEDs:
  - LCD glass substrates
  - Proprietary sealing technology
  - Possible silicon on glass application
- LCD glass substrates should be required
  - Cover glass must match the properties of the backplane for a perfect seal
  - Different compositions/materials = expansion mismatch
- Proprietary sealing technology will eliminate the need for desiccant
  - Will result in lower cost and provide design flexibility

## Hot Topics – Samsung Corning Equity Companies

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- Samsung Corning “CRT” to be merged into Samsung Corning Precision by end of year
- Result of continued decline in worldwide CRT business
  - End stages of shutting operations in Korea and Germany
  - Expect special charge in Q4
- No impact to SCP’s operations or profitability
  - Samsung Corning “CRT” expected to be slightly profitable in 2008
- No change in overall ownership
  - Corning will continue to own 50% of SCP

## Hot Topics – Telecom

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- Recent FCC ruling on MDUs (10-31-07)
  - FCC nullified exclusive access agreements between MDU owners and video service providers
  - Lifts primary barrier to allow competition for video service
  - Provides an opportunity for Corning products such as ClearCurve™
- ClearCurve™ ultra-bendable optical fiber-based products
  - Test trials underway in NYC
  - Initial feedback very positive
  - Strong interest within the telecom industry
  - Receiving inquiries from outside telecom
- ClearCurve™ named one of TIME Magazine's best inventions of the year

## Hot Topics – Diesel

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- Diesel business having an excellent year
  - Sales expected to grow 55%
  - Significant improvement in gross margin and bottom line
- 2007 sales were impacted by:
  - Pre-buy (first half)
  - Weak U.S. freight shipments (second half)
- Heavy duty engine demand (Class 8; U.S. market) expected to rebound in 2008:

– 2006	330,000 vehicles
– 2007 est.	160,000 vehicles (~110,000 compliant)
– 2008 est.	190,000 – 240,000 vehicles
- We expect 2008 to be another year of progress for Diesel:
  - Strong sales growth, but dependent on U.S. economy
  - Higher gross margin percentage
  - Profitability in heavy duty

## Hot Topics – Dow Corning

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- Equity company jointly owned by Corning and Dow Chemical
  - #1 global leader in silicones and polysilicon
  - Silicone technology born out of Corning labs
- Macro-trends fueling strong growth
  - Silicones track Indices of Industrial Production (IIP)
    - Higher growth rates in developing countries
  - Polysilicon driven by surge in demand for solar power

## Hot Topics – Hemlock Semiconductor

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- Dow Corning owns 63% of Hemlock Semiconductor
- Currently >15% of Dow Corning's sales and growing
  - More significant contributor to net income
- Expanding to meet expected market growth:
  - 10 year supply contracts
  - >\$1.5 billion in advanced funding from customers
  - Significant new capacity addition in early 2008

## Hot Topics – Dow Corning

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- Corning recognizes 50% of Dow Corning's net income in equity earnings
  - 2007 equity earnings estimate: ~\$350 million
- Dow Corning pays cash dividend based on 40% of its prior year's net income to both shareholders
  - 2007 cash dividend (Corning's share): ~\$130 million
  - Expect a higher dividend % in the future
- We view Dow Corning as an important contributor to our long-term plans for growth and stability

## Summary

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- We have reiterated our fourth quarter guidance
- Display supply chain currently appears healthy and end markets are behaving as we expected
- Glass market expected to be tight in 2008
- OLEDs are an emerging technology and Corning will play a significant role
- Receiving significant interest in ClearCurve™
- Dow Corning will be an important contributor to our long-term plans for growth

**CORNING INCORPORATED AND SUBSIDIARY COMPANIES**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE**  
**Year Ended December 31, 2007 and 2006**  
(Unaudited; amounts in millions, except per share amounts)

Corning's comment "We anticipate year-over-year sales growth of approximately 12% and earnings-per-share growth of at least 23%" includes a non-GAAP financial measure within the meaning of Regulation G of the Securities and Exchange Commission. Non-GAAP financial measures are not in accordance with, or an alternative to, generally accepted accounting principles (GAAP). The company believes presenting non-GAAP EPS is helpful to analyze financial performance without the impact of unusual items that may obscure trends in the company's underlying performance. A detailed reconciliation is provided below outlining the differences between these non-GAAP measures and the directly related GAAP measures.

	<b>Year-ended December 31,</b>		<b>% Change</b>
	<b>2007 Per Share</b>	<b>2006 Per Share</b>	
Earnings per share (EPS) and net income, excluding special items	\$ 1.38-1.40	\$ 1.12	23-25%
<i>Special items:</i>			
Restructuring, impairment, and other (charges) and credits	-- (a)	(0.03) (c)	
Asbestos settlement	-- (b)	-- (d)	
Loss on repurchases of debt, net		(0.01)	
Provision for income taxes		0.05 (e)	
Equity in earnings of affiliated companies		0.03 (f)	
<b>Total EPS and net income</b>	<b>\$</b>	<b>\$ 1.16</b>	

- (a) From time to time, Corning may need to make adjustments to estimates used in the determination of prior year restructuring and impairment charges, which could result in a gain or loss during the quarter.
- (b) As part of Corning's asbestos settlement arrangement to be incorporated into the Pittsburgh Corning Corporation reorganization plan, Corning will contribute, if the reorganization plan is approved, 25 million shares of Corning common stock to a trust. The common stock will be contributed to the trust, after the plan has been approved by the asbestos claimants and bankruptcy court. The portion of the asbestos liability to be settled in common stock requires adjustment each quarter based upon movements in Corning's common stock price prior to contribution of the shares to the trust. For the year ended December 31, 2007, Corning will record a charge or credit for the change in its common stock price as of December 31, 2007 compared to \$18.71, the common stock price at December 31, 2006. In addition, Corning will record an adjustment to the asbestos liability to reflect the change in fair value of any of the other components of the proposed asbestos settlement.
- (c) Amount represents a \$44 million (\$0.03 per share) asset impairment charge for certain long-lived assets in our Telecommunications segment.
- (d) As a result of Corning's proposed asbestos settlement, any changes in the estimated fair value of the components of the proposed settlement agreement will be recognized in Corning's quarterly results until the date of the contribution to the settlement trust. For 2006, Corning recorded a credit of \$2 million (before- and after-tax) including a credit of \$24 million for the change in Corning's common stock price of \$18.71 at December 31, 2006, compared to \$19.66 at December 31, 2005 and a \$22 million charge for the change in estimated fair value of certain other components of the proposed asbestos settlement liability.
- (e) Amount reflects a \$73 million (\$0.04 per share) tax benefit from the release of our valuation allowance on certain deferred tax assets in Germany and a \$10 million (\$0.01 per share) tax benefit from the release of our valuation allowance on Australian tax benefits.
- (f) Amount reflects the following items which increased Corning's equity earnings by \$40 million, net (\$0.03 per share) in 2006: an impairment charge for certain long-lived assets of Samsung Corning; the impact of Samsung Corning's establishment of a valuation allowance against certain deferred tax assets; a gain on the sale of land at Samsung Corning; and Corning's share of a favorable tax settlement from the completion of an IRS examination at Dow Corning.

**CORNING INCORPORATED AND SUBSIDIARY COMPANIES**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE**  
**Three Months Ended December 31, 2007**  
(Unaudited; amounts in millions, except per share amounts)

Corning's earnings per share (EPS) excluding special items for the fourth quarter of 2007 is a non-GAAP financial measure within the meaning of Regulation G of the Securities and Exchange Commission. Non-GAAP financial measures are not in accordance with, or an alternative to, generally accepted accounting principles (GAAP). The company believes presenting non-GAAP EPS is helpful to analyze financial performance without the impact of unusual items that may obscure trends in the company's underlying performance. A detailed reconciliation is provided below outlining the differences between this non-GAAP measure and the directly related GAAP measure.

	<b>Range</b>	
Guidance: EPS excluding special items	\$ 0.38	\$ 0.40
<i>Special items:</i>		
Restructuring, impairment, and other (charges) and credits (a)		
Asbestos settlement (b)	_____	_____
Earnings per share		

**This schedule will be updated as additional announcements occur.**

- (a) From time to time, Corning may need to make adjustments to estimates used in the determination of prior year restructuring and impairment charges, which could result in a gain or loss during the quarter.
- (b) As part of Corning's asbestos settlement arrangement to be incorporated into the Pittsburgh Corning Corporation reorganization plan, Corning will contribute, if the reorganization plan is approved, 25 million shares of Corning common stock to a trust. The common stock will be contributed to the trust, after the plan has been approved by the asbestos claimants and bankruptcy court. The portion of the asbestos liability to be settled in common stock requires adjustment each quarter based upon movements in Corning's common stock price prior to contribution of the shares to the trust. In the fourth quarter of 2007, Corning will record a charge or credit for the change in its common stock price as of December 31, 2007 compared to \$24.65, the common stock price at September 30, 2007. In addition, Corning will record an adjustment to the asbestos liability to reflect the change in settlement value of any of the other components of the proposed asbestos settlement.

*Please note that the company may pursue other financing, restructuring and divestiture activities at any time in the future, and that the potential impact of these events is not included within Corning's fourth quarter 2007 guidance.*

*This schedule contains forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward looking statements are based on current expectations and involve certain risks and uncertainties. Actual results may differ from those projected in the forward looking statements. Additional information concerning factors that could cause actual results to materially differ from those in the forward looking statements is contained in the Securities and Exchange Commission filings of this Company.*

## Forward-Looking and Cautionary Statements

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This presentation contains forward-looking statements that involve a variety of business risks and other uncertainties that could cause actual results to differ materially. These risks and uncertainties include the possibility of changes or fluctuations in global economic conditions; currency exchange rates; product demand and industry capacity; competitive products and pricing; availability and costs of critical components and materials; new product development and commercialization; order activity and demand from major customers; capital spending by larger customers in the telecommunications industry and other business segments; the mix of sales between premium and non-premium products; possible disruption in commercial activities due to terrorist activity and armed conflict; ability to obtain financing and capital on commercially reasonable terms; acquisition and divestiture activities; the level of excess or obsolete inventory; the ability to enforce patents; product and components performance issues; and litigation. These and other risk factors are identified in Corning's filings with the Securities and Exchange Commission. Forward-looking statements speak only as of the day that they are made, and Corning undertakes no obligation to update them in light of new information or future events.

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