

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE
Three Months Ended March 31, 2012
(Unaudited; amounts in millions, except per share amounts)

Corning's net income and earnings per share (EPS) excluding special items for the first quarter of 2012 are non-GAAP financial measures 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 net income and 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.

	<u>Per Share</u>	<u>Income Before Income Taxes</u>	<u>Net Income</u>
Earnings per share (EPS) and net income, excluding special items	\$ 0.30	\$ 574	\$ 463
<i>Special items:</i>			
Asbestos settlement (a)	—	(1)	(1)
Total EPS and net income	<u>\$ 0.30</u>	<u>\$ 573</u>	<u>\$ 462</u>

- (a) In the first quarter of 2012, Corning recorded a charge of \$1 million (\$1 million after-tax) to adjust the asbestos liability for the change in value of the components of the Amended PCC Plan.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE
Three Months Ended March 31, 2011
(Unaudited; amounts in millions, except per share amounts)

Corning's net income and earnings per share (EPS) excluding special items for the first quarter of 2011 are non-GAAP financial measures 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 net income and 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.

	<u>Per Share</u>	<u>Income Before Income Taxes</u>	<u>Net Income</u>
Earnings per share (EPS) and net income, excluding special items	\$ 0.47	\$ 867	\$ 751
<i>Special items:</i>			
Asbestos settlement (a)	—	(5)	(3)
Total EPS and net income	<u>\$ 0.47</u>	<u>\$ 862</u>	<u>\$ 748</u>

- (a) In the first quarter of 2011, Corning recorded a charge of \$5 million (\$3 million after-tax) to adjust the asbestos liability for the change in value of the components of the Amended PCC Plan.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE
Three Months Ended December 31, 2011
(Unaudited; amounts in millions, except per share amounts)

Corning's net income and earnings per share (EPS) excluding special items for the fourth quarter of 2011 are non-GAAP financial measures 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 net income and 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.

	<u>Per Share</u>	<u>Income Before Income Taxes</u>	<u>Net Income</u>
Earnings per share (EPS) and net income, excluding special items	\$ 0.33	\$ 606	\$ 513
<i>Special items:</i>			
Contingent liability (a)	–	5	5
Restructuring, impairment, and other credits (b)	(0.05)	(130)	(83)
Asbestos settlement (c)	–	(9)	(5)
Equity in earnings of affiliated companies (d)	0.04	80	74
Provision for income taxes (e)	<u>(0.01)</u>	<u>–</u>	<u>(13)</u>
Total EPS and net income	<u>\$ 0.31</u>	<u>\$ 552</u>	<u>\$ 491</u>

- (a) In the fourth quarter of 2011, Corning recognized a credit of \$5 million resulting from a reduction in a contingent liability associated with an acquisition recorded in the first quarter of 2011.
- (b) In the fourth quarter of 2011, Corning recorded a \$130 million (\$83 million after-tax) asset impairment charge for certain long-lived assets in our Specialty Materials segment.
- (c) In the fourth quarter of 2011, Corning recorded a charge of \$9 million (\$5 million after-tax) to adjust the asbestos liability for the change in value of the components of the Amended PCC Plan.
- (d) In the fourth quarter of 2011, equity in earnings of affiliated companies included a \$80 million (\$74 million after-tax) credit for Corning's share of the future portion of Dow Corning Corporation's settlement of a dispute related to long term supply agreements.
- (e) In the fourth quarter of 2011, Corning recorded a \$13 million net tax provision related to the adjustment of deferred taxes as a result of enacted tax rate reductions primarily in Japan.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE
Three Months Ended March 31, 2012 and December 31, 2011
(Unaudited; amounts in millions)

Corning's free cash flow financial measure for the three months ended March 31, 2012 and December 31, 2011 are 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 financial measures are 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 measures.

	Three months ended March 31, 2012	Three months ended December 31, 2011
	<u> </u>	<u> </u>
Cash flows from operating activities	\$ 762	\$ 1,157
Less: Cash flows from investing activities	(604)	(476)
Plus: Short-term investments – acquisitions	528	389
Less: Short-term investments – liquidations	<u>(341)</u>	<u>(745)</u>
Free cash flow	<u>\$ 345</u>	<u>\$ 325</u>

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE
Dow Corning Corporation, Affiliated Company of Corning Incorporated
Three Months Ended March 31, 2012 and December 31, 2011
(Unaudited; amounts in millions, except per share amounts)

Corning's equity in earnings of affiliated companies excluding special items for the fourth quarter of 2011 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 equity in earnings of affiliated companies 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.

	<u>Q1 2012</u>	<u>Q4 2011</u>	<u>Sequential % Change</u>
Equity in earnings of affiliated companies, excluding special items	\$ 35	\$ 49	(29%)
Equity in earnings of affiliated companies (a)	_____	80	_____
Equity in earnings of affiliated companies	<u>\$ 35</u>	<u>\$ 129</u>	<u>(73%)</u>

(a) In the fourth quarter of 2011, equity in earnings of affiliated companies included a \$80 million credit for Corning's share of the future portion of Dow Corning Corporation's settlement of a dispute related to long term supply agreements.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE
Equity in Earnings of Affiliated Companies of Corning Incorporated
Three Months Ended March 31, 2012 and December 31, 2011
(Unaudited; amounts in millions, except per share amounts)

Corning's equity in earnings of affiliated companies excluding special items for the fourth quarter of 2011 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 equity in earnings of affiliated companies 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.

	<u>Q1 2012</u>	<u>Q4 2011</u>	<u>Sequential % Change</u>
Equity in earnings of affiliated companies, excluding special items	\$ 218	\$ 241	(10%)
Equity in earnings of affiliated companies (a)	<u> </u>	<u>80</u>	<u> </u>
Equity in earnings of affiliated companies	<u>\$ 218</u>	<u>\$ 321</u>	<u>(32%)</u>

(a) In the fourth quarter of 2011, equity in earnings of affiliated companies included a \$80 million credit for Corning's share of the future portion of Dow Corning Corporation's settlement of a dispute related to long term supply agreements.