

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE
Three Months Ended June 30, 2008
(Unaudited; amounts in millions, except per share amounts)

Corning's net income and earnings per share (EPS) excluding special items for the second quarter of 2008 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	\$ 0.49	\$ 484	\$ 782
<i>Special items:</i>			
Asbestos settlement (a)	-	(9)	(9)
Litigation settlement (b)	(0.01)	(12)	(12)
Valuation allowance release (c)	<u>1.53</u>	<u>-</u>	<u>2,450</u>
Total EPS and net income	<u>\$ 2.01</u>	<u>\$ 463</u>	<u>\$ 3,211</u>

- (a) In the second quarter of 2008, Corning recorded a charge of \$9 million to adjust the asbestos liability for the change in value of certain components of the Amended PCC Plan and the estimated liability for non-PCC asbestos claims.
- (b) In the second quarter of 2008, Corning recorded a charge of \$12 million to settle litigation associated with our Display Technologies segment.
- (c) In the second quarter of 2008, Corning recorded a valuation allowance release of \$2.45 billion to reflect the expected realizability of U.S. deferred tax assets in future years.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE
Three Months Ended March 31, 2008

(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 2008 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	\$ 0.44	\$ 463	\$ 702
<i>Special items:</i>			
Asbestos settlement (a)	<u>0.20</u>	<u>327</u>	<u>327</u>
Total EPS and net income	<u>\$ 0.64</u>	<u>\$ 790</u>	<u>\$ 1,029</u>

(a) In the first quarter of 2008, Corning recorded an asbestos settlement credit of \$327 million to adjust the asbestos liability from \$1 billion to \$675 million, including the components of the Amended PCC Plan and the estimated liability for non-PCC asbestos claims.

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

Three Months Ended June 30, 2007

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

Corning's net income and earnings per share (EPS) excluding special items for the second quarter of 2007 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.

	Per Share	Income Before Income Taxes	Net Income
Earnings per share (EPS) and net income, excluding special items	\$ 0.34	\$ 346	\$ 546
<i>Special items:</i>			
Asbestos settlement (a)	(0.05)	(76)	(76)
Gain on sale of business, net (b)	0.01	19	19
Total EPS and net income	\$ 0.30	\$ 289	\$ 489

(a) In the second quarter of 2007, Corning recorded a charge of \$76 million (before- and after-tax) for the change in the estimated fair value of the components of the proposed asbestos settlement liability under the terms of the 2003 Plan.

(b) Amount reflects a \$19 million gain on the sale of the European submarine cabling business.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE
Three Months Ended June 30, 2008
(Unaudited; amounts in millions)

Corning's free cash flow financial measure for the three and six months ended June 30, 2008 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 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 June 30, 2008	Six months ended June 30, 2008
Cash flows from operating activities	\$ 690	\$ 985
Less: Cash flows from investing activities	(541)	(916)
Plus: Short-term investments – acquisitions	470	1,194
Less: Short-term investments – liquidations	<u>(324)</u>	<u>(1,140)</u>
Free cash flow	<u>\$ 295</u>	<u>\$ 123</u>

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE
Three Months Ended September 30, 2008
(Unaudited; amounts in millions, except per share amounts)

Corning's earnings per share (EPS) excluding special items for the third quarter of 2008 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.

	Range	
Guidance: EPS excluding special items	\$ 0.48	\$ 0.51
Special items (a)		
Earnings per share		

This schedule will be updated as additional announcements occur.

(a) From time to time, Corning may record special items which could result in a gain or loss during the quarter.

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 third quarter 2008 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.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE
Telecommunications Segment
(Unaudited; amounts in millions)

Corning's comment, "Compared to last year, Q2 sales increased 11%, excluding the sales from the business we divested last April." includes 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 this non-GAAP improvement in segment sales 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.

	Sales vs. Prior Quarter		% Change
	Three months ended		
	June 30, 2008	June 30, 2007	
Telecommunications segment sales excluding sales from the Company's European submarine cabling business	\$ 477	\$ 429	11%
Sales of the European submarine cabling business	<u>0</u>	<u>9</u>	
Telecommunications segment sales	<u>\$ 477</u>	<u>\$ 438</u>	<u>9%</u>