

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE
Three Months Ended September 30, 2006
(Unaudited; amounts in millions, except per share amounts)

Corning's net income and earnings per share (EPS) excluding special items for the third quarter of 2006 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	\$ 0.28	\$ 258	\$ 451
<i>Special items:</i>			
Asbestos settlement (a)	<u>(0.01)</u>	<u>(13)</u>	<u>(13)</u>
Total EPS and net income	<u>\$ 0.27</u>	<u>\$ 245</u>	<u>\$ 438</u>

- (a) 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. In the third quarter of 2006, Corning recorded a gain of \$13 million (before- and after-tax) including \$6 million for the change in Corning's common stock price of \$24.41 at September 30, 2006, compared to \$24.19 at June 30, 2006 and a \$7 million charge for the change in estimated fair value of certain other components of the proposed asbestos settlement liability.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE
Three Months Ended June 30, 2006
(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 2006 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	\$ 0.26	\$ 233	\$ 421
<i>Special items:</i>			
Asbestos settlement (a)	0.04	61	61
Loss on repurchases of debt, net	(0.01)	(11)	(11)
Provision for income taxes (b)	0.01		10
Equity in earnings of associated companies (c)	<u>0.02</u>	<u> </u>	<u>33</u>
Total EPS and net income	<u>\$ 0.32</u>	<u>\$ 283</u>	<u>\$ 514</u>

- (a) 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. In the second quarter of 2006, Corning recorded a gain of \$61 million (before- and after-tax) including \$68 million for the change in Corning's common stock price of \$24.19 at June 30, 2006, compared to \$26.92 at March 31, 2006 and a \$7 million charge for the change in estimated fair value of certain other components of the proposed asbestos settlement liability.
- (b) Amount reflects a \$10 million tax benefit from the release of Corning's valuation allowance on Australian tax benefits.
- (c) Amount reflects a \$33 million increase in equity earnings representing 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 September 30, 2005
(Unaudited; amounts in millions, except per share amounts)

Corning's net income and earnings per share (EPS) excluding special items for the third quarter of 2005 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 measure.

	<u>Per Share</u>	<u>Income Before Income Taxes</u>	<u>Net Income</u>
EPS and net income, excluding special items	\$ 0.26	\$ 257	\$ 410
<i>Special items:</i>			
Restructuring, impairment and other (charges) and credits (a)	(0.02)	(28)	(28)
Asbestos settlement (b)	(0.04)	(73)	(73)
Equity in earnings of associated companies (c)	<u>(0.07)</u>	<u> </u>	<u>(106)</u>
Total EPS and net income	<u>\$ 0.13</u>	<u>\$ 156</u>	<u>\$ 203</u>

- (a) In the third quarter of 2005, we recorded a charge of \$28 million (before- and after-tax and minority interest) which included severance costs associated with cost reduction efforts in our Telecommunications segment. Also included in this charge were \$2 million of credits for adjustments related to prior years' restructuring charges.
- (b) 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. In the third quarter of 2005, Corning recorded a charge of \$73 million (before- and after-tax) including \$68 million for the change in Corning's common stock price of \$19.33 at September 30, 2005, compared to \$16.62 at June 30, 2005 and a \$5 million charge for the change in estimated fair value of certain other components of the proposed asbestos settlement liability.
- (c) In the third quarter of 2005, Samsung Corning Co., Ltd., a South Korea-based manufacturer of glass panels and funnels for cathode ray tube television and display monitors, recorded an impairment charge for certain of its manufacturing assets and severance and exit costs. Our equity earnings were reduced by \$106 million for Corning's share of these charges.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE
Three Months Ended September 30, 2006
(Unaudited; amounts in millions)

Corning's free cash flow financial measure for the three months ended September 30, 2006 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 measure.

	Three months ended <u>September 30, 2006</u>
Cash flows from operating activities	\$ 411
Less: Cash flows from investing activities	(790)
Plus: Short-term investments - acquisitions	838
Less: Short-term investments - liquidations	<u>(383)</u>
Free cash flow	<u>\$ 76</u>

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

Corning's earnings per share (EPS) excluding special items for the fourth quarter of 2006 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	\$0.26	\$0.29
<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, when the reorganization plan becomes effective, 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 2006, Corning will record a charge or credit for the change in its common stock price as of December 31, 2006 compared to \$24.41, the common stock price at September 30, 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.

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 2006 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.