Appendix

Use of Non-GAAP Financial Information

Corning has included non-GAAP financial measures in this presentation to supplement Corning's consolidated financial statements presented on a GAAP basis. In managing the Company and assessing our financial performance, we adjust certain measures provided by our consolidated financial statements to exclude specific items to arrive at core performance measures.

These items include gains and losses on our translated earnings contracts, acquisition-related costs, certain discrete tax items, restructuring and restructuring-related charges, certain litigation-related expenses, pension mark-to-market adjustments and other items which do not reflect on-going operating results of the Company or our equity affiliates. Additionally, Corning has adopted the use of constant currency reporting for our Display Technologies and Specialty Materials segments for the Japanese yen, South Korean won, and Chinese yuan. Effective January 1, 2019, Corning has adopted the use of constant currency reporting for our Environmental Technologies and Life Sciences segments for the euro, Japanese Yen and Chinese yuan. The company believes that the use of constant currency reporting allows investors to understand our results without the volatility of currency fluctuations, and reflects the underlying economics of the translated earnings contracts used to mitigate the impact of changes in currency exchange rates on our earnings and cash flows. Corning also believes that reporting core performance measures provides investors greater transparency to the information used by our management team to make financial and operational decisions.

These measures are not prepared in accordance with Generally Accepted Accounting Principles in the United States ("GAAP"). We believe investors should consider these non-GAAP measures in evaluating our results as they are more indicative of our core operating performance and how management evaluates our operational results and trends. These measures are not, and should not be viewed as a substitute for, GAAP reporting measures. Definitions of these non-GAAP financial measures and reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found on the Company's website by going to the Investor Relations page and clicking "Quarterly Results" under the "Financials and Filings" tab.

With respect to the Company's outlook for future periods, we are not able to provide reconciliations for these non-GAAP measures because the Company does not forecast the movement of foreign currencies against the U.S. dollar, or other items that do not reflect ongoing operations, nor does it forecast items that have not yet occurred or are out of the Company's control. As a result, the Company is unable to provide outlook information on a GAAP basis.

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Definition of Adjusted Operating Cash Flow

	GAAP Operating Cash Flow
+/-	One-time non-operating items
+/-	Cash proceeds/payments from realized gains on translation hedges
+/-	Cash proceeds/payments from realized Balance Sheet hedges
=	**Adjusted Operating Cash Flow**

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Definition of Adjusted Debt / EBITDA

	Total Reported Debt
+	Operating lease adjustment
+	Pension & OPEB adjustment
=	**Adjusted Debt**

	EBITDA Reported
+	Operating lease adjustment
+	Pension & OPEB adjustment
+	Stock compensation expense
=	**Adjusted EBITDA**

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Reconciliation of Non-GAAP Measures – Fiscal Year 2015

The following tables reconcile our non-GAAP financial measures to their most directly comparable GAAP financial measure.

	Year ended December 31, 2015					
	Net sales	Equity earnings	Income before income taxes	Net income	Effective tax rate	Earnings per share
As reported	$ 9,111	$ 299	$ 1,486	$ 1,339	9.9%	$ 1.00
Constant-currency adjustment (1)	406	3	364	275		0.20
Foreign currency hedges related to translated earnings (2)			(80)	(48)		(0.04)
Acquisition-related costs (3)			55	36		0.03
Discrete tax items and other tax-related adjustments (4)				36		0.03
Litigation, regulatory and other legal matters (5)			5	3		
Restructuring, impairment and other charges (6)			46	42		0.03
Liquidation of subsidiary (7)						
Equity in earnings of affiliated companies (8)		(34)	(34)	(33)		(0.02)
Impacts from the acquisition of Samsung Corning Precision Materials (9)			(20)	(18)		(0.01)
Post-combination expenses (10)			25	16		0.01
Pension mark-to-market adjustment (11)			165	105		0.08
Core performance measures	$ 9,517	$ 268	$ 2,012	$ 1,753	12.9%	$ 1.31

See “Items Excluded from GAAP Measures” on the following page for descriptions of the footnoted reconciling items.

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Notes Associated With Fiscal Year 2015 Reconciliation

Items Excluded from GAAP Measures

Items which we exclude from GAAP measures to report core performance measures are as follows:

1) Constant-currency adjustments :
2) Constant-yen: Because a significant portion of Display Technologies segment revenues and manufacturing costs are denominated in Japanese yen, management believes it is important to understand the impact on core earnings of translating yen into dollars. Presenting results on a constant-yen basis mitigates the translation impact of the Japanese yen, and allows management to evaluate performance period over period, analyze underlying trends in our businesses, and establish operational goals and forecasts. As of January 1, 2018, we use an internally derived management rate of ¥107, which is closely aligned to our current yen portfolio of foreign currency hedges, and have recast all periods presented based on this rate to effectively remove the impact of changes in the Japanese yen.
3) Constant-won: Because a significant portion of Corning Precision Materials' costs are denominated in South Korean won, management believes it is important to understand the impact on core earnings from translating won into dollars. Presenting results on a constant-won basis mitigates the translation impact of the South Korean won, and allows management to evaluate performance period over period, analyze underlying trends in our businesses, and establish operational goals and forecasts without the variability caused by the fluctuations caused by changes in the rate of this currency. We use an internally derived management rate of ₩1,175, which is closely aligned to our current won portfolio of foreign currency hedges, and have recast all periods presented based on this rate to effectively remove the impact of changes in the South Korean won.
4) Foreign currency hedges related to translated earnings: We have excluded the impact of the gains and losses of our foreign currency hedges related to translated earnings for each period presented.
5) Acquisition-related costs: These expenses include intangible amortization, inventory valuation adjustments and external acquisition-related deal costs.
6) Discrete tax items and other tax-related adjustments: This represents the removal of discrete adjustments attributable to changes in tax law and changes in judgment about the realizability of certain deferred tax assets, as well as other non-operational tax-related adjustments, including the tax effect of transfer pricing out-of-period adjustments in 2014 and 2015.
7) Litigation, regulatory and other legal matters: Includes amounts related to the Pittsburgh Corning Corporation (PCC) asbestos litigation, adjustments to our estimated liability for environmental-related items and other legal matters.
8) Restructuring, impairment and other charges: This amount includes restructuring, impairment and other charges, including goodwill impairment charges and other expenses and disposal costs not classified as restructuring expense.
9) Liquidation of subsidiary: The partial impact of non-restructuring related items due to the decision to liquidate a consolidated subsidiary that is not significant.
10) Equity in earnings of affiliated companies: These adjustments relate to items which do not reflect expected on-going operating results of our affiliated companies, such as restructuring, impairment and other charges and settlements under "take-or-pay" contracts. In 2013, we excluded the operating results of Dow Corning's consolidated subsidiary Hemlock Semiconductor, a producer of polycrystalline silicon, to remove the impact of the severe unpredictability and instability in the polysilicon market.
11) Impacts from the acquisition of Samsung Corning Precision Materials: Pre-acquisition gains and losses on previously held equity investment and other gains and losses related to the acquisition, including post-combination expenses, fair value adjustments to the indemnity asset related to contingent consideration and the impact of the withholding tax on a dividend from Samsung Corning Precision Materials.
12) Post-combination expenses: Post-combination expenses incurred with an acquisition in the first quarter of 2015.
13) Pension mark-to-market adjustment: Mark-to-market pension gains and losses, which arise from changes in actuarial assumptions and the difference between actual and expected returns on plan assets and discount rates.

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