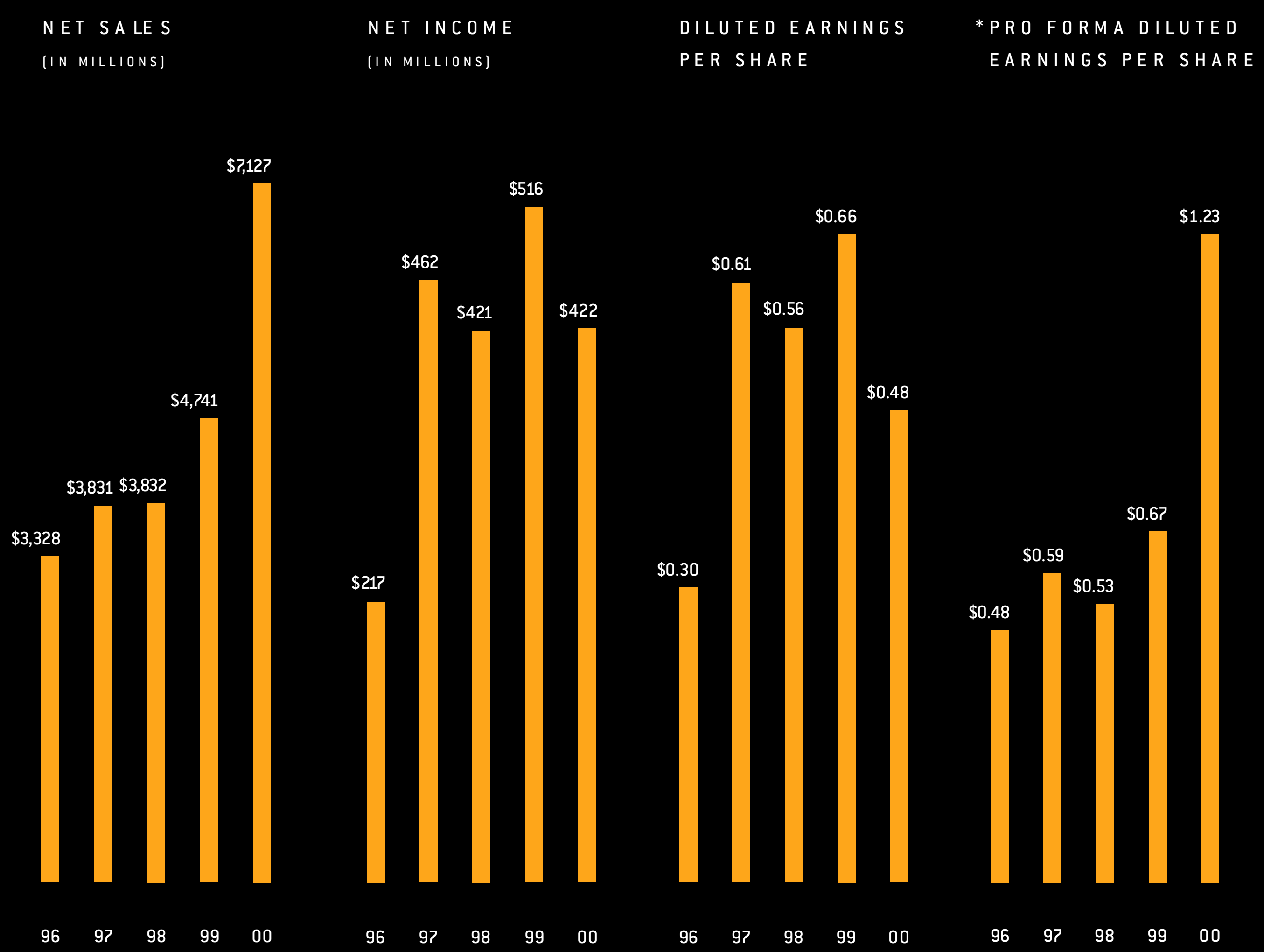
2000 REVIEW



*Pro forma diluted earnings per share excludes the amortization of purchased intangibles and goodwill, purchased in-process research and development costs, one-time acquisition-related costs, discontinued operations and non-recurring items. This measure is not in accordance with, or an alternative for, generally accepted accounting principles and may not be consistent with measures used by other companies. It should be considered supplemental data.

FINANCIAL HIGHLIGHTS

	2000	1999	1998	1997	1996
NET SALES	$7,127.1	$4,741.1	$3,831.9	$3,831.2	$3,327.5
Income from continuing operations	$ 409.5	$ 511.0	$ 354.8	$ 430.6	$ 355.2
Income from discontinued operations, net of tax	12.5	4.8	66.5	30.9	(136.9)
Extraordinary charge, net of tax and minority interest					(0.9)
NET INCOME	$ 422.0	$ 515.8	$ 421.3	$ 461.5	$ 217.4
DILUTED EARNINGS PER SHARE					
Continuing operations	$ 0.46	$ 0.65	$ 0.47	$ 0.57	$ 0.48
Discontinued operations	0.02	0.01	0.09	0.04	(0.18)
NET INCOME	$ 0.48	$ 0.66	$ 0.56	$ 0.61	$ 0.30
*PRO FORMA DILUTED EARNINGS PER SHARE	$ 1.23	$ 0.67	$ 0.53	$ 0.59	$ 0.48

SEGMENT HIGHLIGHTS

(In millions)	Revenues		
	2000	1999	1998
Telecommunications	$5,120.7	$2,958.2	$2,139.6
Advanced Materials	1,086.0	1,053.9	1,020.1
Information Display	894.1	701.2	644.7
Total Segments	7,100.8	4,713.3	3,804.4
Non-segment net sales [1]	26.3	27.8	27.5
Interest income	104.6	11.7	15.0
Royalty and dividend income	34.6	29.7	35.0
Nonoperating gains	6.8	30.0	39.7
Total	$7,273.1	$4,812.5	$3,921.6

[1] Includes amounts derived from corporate investments.

	Year Ended December 31,		
(In millions, except per share amounts)	2000	1999	1998
REVENUES			
Net sales	$ 7,127.1	$ 4,741.1	$ 3,831.9
Interest income	104.6	11.7	15.0
Royalty and dividend income	34.6	29.7	35.0
Nonoperating gains	6.8	30.0	39.7
	7,273.1	4,812.5	3,921.6
DEDUCTIONS			
Cost of sales	4,131.1	2,930.3	2,360.5
Selling, general and administrative expenses	1,047.4	667.4	542.8
Research, development and engineering expenses	539.9	378.2	307.4
Amortization of purchased intangibles, including goodwill	245.0	27.8	22.2
Interest expense	106.6	93.2	66.8
Acquisition-related charges	462.6		
Provision for impairment and restructuring		1.4	84.6
Other, net	49.1	39.3	55.0
Income from continuing operations before taxes on income	691.4	674.9	482.3
Taxes on income from continuing operations	407.1	207.1	149.5
Income from continuing operations before minority interest and equity earnings	284.3	467.8	332.8
Minority interest in earnings of subsidiaries	(23.7)	(66.8)	(61.6)
Dividends on convertible preferred securities of subsidiary		(2.3)	(13.7)
Equity in earnings of associated companies	185.2	112.3	97.3
Impairment of equity investment	(36.3)		
Income from continuing operations	409.5	511.0	354.8
Income from discontinued operations, net of income taxes	12.5	4.8	66.5
NET INCOME	$ 422.0	$ 515.8	$ 421.3
BASIC EARNINGS PER SHARE			
Continuing operations	$ 0.48	$ 0.67	$ 0.48
Discontinued operations	0.01		0.09
NET INCOME	$ 0.49	$ 0.67	$ 0.57
DILUTED EARNINGS PER SHARE			
Continuing operations	$ 0.46	$ 0.65	$ 0.47
Discontinued operations	0.02	0.01	0.09
NET INCOME	$ 0.48	$ 0.66	$ 0.56
SHARES USED IN COMPUTING EARNINGS PER SHARE			
Basic earnings per share	858.4	765.3	733.2
Diluted earnings per share	879.3	795.0	777.6

The accompanying notes are an integral part of these statements.

(In millions, except share amounts)	December 31, 2000	December 31, 1999
ASSETS		
CURRENT ASSETS		
Cash	$ 138.0	$ 121.8
Short-term investments, at cost, which approximates market value	1,655.8	158.6
Accounts receivable, net of doubtful accounts and allowances - $46.6/2000; $19.9/1999	1,489.7	872.4
Inventories	1,039.9	602.2
Deferred taxes on income and other current assets	311.0	229.2
Total current assets	4,634.4	1,984.2
Investments		
Associated companies, at equity	478.6	421.9
Others, at cost or fair value	156.2	82.5
Plant and equipment, at cost, net of accumulated depreciation	4,679.0	3,201.7
Goodwill, net of accumulated amortization - $302.7/2000; $99.5/1999	6,779.2	463.9
Other intangible assets, net of accumulated amortization - $52.4/2000; $12.8/1999	560.7	42.8
Other assets	237.6	329.0
TOTAL ASSETS	$ 17,525.7	$ 6,526.0
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Loans payable	$ 128.4	$ 420.7
Accounts payable	854.7	418.0
Other accrued liabilities	965.6	715.3
Total current liabilities	1,948.7	1,554.0
Long-term debt	3,966.4	1,490.4
Postretirement benefits other than pensions	588.3	574.0
Deferred taxes on income	60.5	
Other liabilities	181.1	146.6
Minority interest in subsidiary companies	139.1	284.8
Mandatorily redeemable convertible preferred stock	8.7	13.5
Common shareholders' equity		
Common stock, including excess over par value and other capital - par value $0.50 per share; Shares authorized: 3.8 billion; Shares issued: 1.0 billion/2000; 855.6 million/1999	9,512.5	1,359.3
Retained earnings	2,000.5	1,790.0
Less cost of 75.9 million/2000 and 75.0 million/1999 shares of common stock in treasury	(753.2)	(656.0)
Accumulated other comprehensive loss	(126.9)	(30.6)
Total common shareholders' equity	10,632.9	2,462.7
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 17,525.7	$ 6,526.0

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)	Year Ended December 31, 2000	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 422.0	$ 515.8	$ 421.3
Adjustments to reconcile net income to net cash provided by operating activities of continuing operations:			
Income from discontinued operations	(12.5)	(4.8)	(66.5)
Amortization of purchased intangibles, including goodwill	245.0	27.8	22.2
Depreciation and amortization of other intangible assets	519.9	380.5	297.9
Nonoperating gains	(6.8)	(30.0)	(40.4)
Acquisition-related charges	462.6		
Provision for impairment and restructuring, net of cash spent		1.4	61.3
Employee benefit expense in excess of (less than) cash funding	3.4	(17.1)	39.4
Equity in earnings of associated companies in excess of dividends received	(140.5)	(61.4)	(33.9)
Impairment of equity investment	36.3		
Minority interest in earnings of subsidiaries in excess of (less than) dividends paid	(83.2)	50.5	8.3
Losses on disposition of properties and investments	16.4	8.8	8.9
Deferred tax (benefit)/expense	(48.4)	42.8	2.0
Tax benefit on stock options	321.2	59.9	13.8
Changes in certain working capital items	(402.3)	(144.1)	(80.8)
Other	88.1	36.8	28.7
NET CASH PROVIDED BY OPERATING ACTIVITIES OF CONTINUING OPERATIONS	1,421.2	866.9	682.2
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(1,524.9)	(757.1)	(730.4)
Acquisitions of businesses and leased assets, net of cash acquired	(5,009.4)	(188.1)	(85.0)
Net proceeds from disposition of properties and investments	79.8	67.9	141.2
Proceeds from divestiture of consumer housewares business			593.1
Net increase in long-term investments and other noncurrent assets	(55.6)	(37.7)	(102.1)
Transaction costs related to pooling of interests	(44.5)		
Other	5.5	(17.9)	0.4
NET CASH USED IN INVESTING ACTIVITIES OF CONTINUING OPERATIONS	(6,549.1)	(932.9)	(182.8)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of debt	2,808.2	680.7	489.6
Repayments of loans	(635.1)	(199.2)	(300.8)
Repayments of loans with proceeds from divestiture of consumer housewares business			(343.0)
Proceeds from issuance of common stock	4,743.6	113.2	28.7
Repurchases of common stock		(96.2)	(74.3)
Redemption of common stock for income tax withholding	(57.0)	(18.0)	(9.8)
Dividends paid	(211.5)	(176.9)	(168.3)
Other		0.3	(0.3)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES OF CONTINUING OPERATIONS	6,648.2	303.9	(378.2)
Effect of exchange rates on cash	(5.3)	(4.2)	4.4
Cash used in discontinued operations	(1.6)	(12.5)	(172.0)
Net change in cash and cash equivalents	1,513.4	221.2	(46.4)
Cash and cash equivalents at beginning of year	280.4	59.2	105.6
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,793.8	$ 280.4	$ 59.2

The accompanying notes are an integral part of these statements. Certain amounts have been reclassified to conform to 2000 classifications.

(In millions, except per share amounts)

	Common stock	Capital in excess of par value	Unearned compensation	Retained earnings	Treasury stock	Accumulated other comprehensive income (loss)	Total shareholders' equity
BALANCE, DECEMBER 31, 1997	$ 132.4	$ 976.3	$ (119.9)	$ 1,198.1	$ (724.5)	$ (33.9)	$ 1,428.5
Net income				421.3			421.3
Foreign currency translation adjustment						38.3	38.3
Unrealized loss on marketable securities, net of tax						(1.0)	(1.0)
Realized gains on securities, net of tax						(0.2)	(0.2)
Total comprehensive income							458.4
Shares issued	0.8	48.2					49.0
Corning Stock Ownership Trust		15.6	(3.1)				12.5
Repurchases of shares					(74.3)		(74.3)
Retirement of treasury shares		(14.6)			14.6		
Tax benefit from exercise of options		13.8					13.8
Dividends on stock ($0.24 per share)				(168.3)			(168.3)
Other, net		2.1	(9.3)		(5.8)		(13.0)
BALANCE, DECEMBER 31, 1998	133.2	1,041.4	(132.3)	1,451.1	(790.0)	3.2	1,706.6
Net income				515.8			515.8
Foreign currency translation adjustment						(53.8)	(53.8)
Unrealized gain on marketable securities, net of tax						23.2	23.2
Realized gains on securities, net of tax						(3.2)	(3.2)
Total comprehensive income							482.0
Conversion of monthly income preferred securities		102.7			262.6		365.3
Shares issued	2.2	160.5					162.7
Corning Stock Ownership Trust		144.8	(127.3)				17.5
Repurchases of shares					(96.2)		(96.2)
Retirement of treasury shares		(30.2)			30.2		
Tax benefit from exercise of options		59.9					59.9
Dividends on stock ($0.24 per share)				(176.9)			(176.9)
Other, net			4.4		(62.6)		(58.2)
BALANCE, DECEMBER 31, 1999	135.4	1,479.1	(255.2)	1,790.0	(656.0)	(30.6)	2,462.7
Net income				422.0			422.0
Foreign currency translation adjustment						(118.3)	(118.3)
Unrealized gain on marketable securities, net of tax						32.6	32.6
Realized gains on securities, net of tax						(10.6)	(10.6)
Total comprehensive income							325.7
Shares issued in acquisitions	10.4	2,980.0					2,990.4
Shares issued in equity offerings	31.9	4,560.1					4,592.0
Other shares issued	3.6	260.6					264.2
Stock split	319.6	(319.6)					
Corning Stock Ownership Trust		44.6	(25.8)				18.8
Tax benefit from exercise of options		321.2					321.2
Dividends on stock ($0.24 per share)				(211.5)			(211.5)
Other, net		(10.2)	(23.2)		(97.2)		(130.6)
BALANCE, DECEMBER 31, 2000	$ 500.9	$ 9,315.8	$ (304.2)	$ 2,000.5	$ (753.2)	$ (126.9)	$10,632.9

The accompanying notes are an integral part of these statements.

FINANCIAL REVIEW

Corning's financial performance in 2000 was strong as the company recorded sales at $7.1 billion, the highest sales ever in its 149-year history. In 2000, Corning continued its strategy of growth through research and development, capacity expansion, new product development in key growth markets and acquisitions. Corning also saw the results of past investments in acquisitions, capital expenditures and research and development begin to contribute to 2000 earnings.

Overall, Corning reported robust results in 2000 as each of its three segments experienced sales growth over 1999 which was also a very strong year. Sales growth in 2000 was most pronounced in the Telecommunications Segment where demand for Corning's premium fiber, cable and photonic products, driven by the growth of the Internet, and the impact of acquisitions generated high double-digit growth. The Telecommunications and Information Display Segments demonstrated strong earnings performances in 2000 as both segments more than doubled their 1999 earnings.

BUSINESS COMBINATIONS

In 2000, Corning completed 12 strategic business combinations valued at approximately $10 billion within the Telecommunications Segment, including the pooling of interests with Oak Industries, Inc. (Oak) in January 2000. The largest purchases closed in the year included:

- the acquisition of Pirelli S.p.A.'s (90%) and Cisco Systems Inc.'s (10%) optical components and devices business (Pirelli acquisition),
- the acquisition of NetOptix Corporation, a manufacturer of thin film filters for use in dense wavelength division multiplexing (DWDM) components,
- the acquisition of Siemens AG's worldwide optical fiber and cable systems and equipment business, including its 50% ownership in Siecor Corporation and Siecor GmbH (Siemens transaction).

Each of these transactions supports Corning's strategic growth initiatives in the Telecommunications Segment and also strengthens and broadens Corning's portfolio of businesses. See Note 2 of the Notes to Consolidated Financial Statements for more information on business combinations for 2000, 1999 and 1998.

Allocation of the purchase price of the acquisitions resulted in charges related to purchased in-process research and development (IPRD) in certain acquisitions. Further discussion regarding these charges is included on page 61.

CAPITAL EXPENDITURES

In 2000, Corning committed $1.7 billion in capital spending, more than double any other year in its history. The capital spending plan for 2001 will approximate $2.5 billion. Corning's 2000 and 2001 spending concentrates on key growth prospects in optical fiber and cable, photonics and the display technologies businesses. Significant capital expenditures in 2000 were as follows:

- $610 million to expand capacity for optical fiber and cable,
- $295 million to expand capacity of liquid crystal display glass,
- $265 million to expand capacity in photonics.

Corning's growth strategy is not solely dependent upon acquisitions, but also calls for a continuous commitment to internal growth through research and development. Corning's dedication to excellence through research and development was evidenced in 2000 as Corning spent an unprecedented $540 million. Corning anticipates increasing research and development to more than $700 million in 2001. In 2000 Corning introduced the following main products resulting from its discovery efforts:

— MetroCor™, a premium fiber solution for optical communications in the metropolitan marketplace.
— Corning microarray products for applications in human genome research.
— EAGLE^{2000}, fusion formed glass for applications in the liquid crystal display business.
— PurePath™, optical switches for wavelength division multiplexing systems in the optical networking business.

OUTLOOK

Looking forward to 2001, Corning will continue to invest in new product development, capacity expansion and external growth. Corning expects its sales will grow by 20% to 25% and that each segment's net income will show double-digit growth.

OTHER

The consolidated financial statements presented for 1999 and 1998 have been restated to include the financial position and results of operations of Oak to reflect the pooling of interests accounting used in the Oak merger consummated on January 28, 2000.

All share and per share amounts have been restated to reflect the three-for-one stock split of Corning common stock that became effective October 3, 2000.

RESULTS OF CONTINUING OPERATIONS

Consolidated sales in 2000 were $7.1 billion, a 50% increase over 1999. Excluding the impact of acquisitions, Corning's consolidated sales in 2000 increased 36% over 1999. In 1999, consolidated sales totaled $4.7 billion, a 24% increase over 1998. Strong demand for Corning's new premium fiber, cable and photonics products and the impact of acquisitions contributed to the overall sales growth. Sales growth for 2000 was most pronounced in the Telecommunications Segment where the impact of acquisitions and demand for Corning's premium fiber, cable and photonics products drove year over year sales growth of 73%. Excluding acquisitions, sales in Telecommunications grew 50% over 1999.

Corning's income from continuing operations totaled $409.5 million in 2000, a decrease compared to $511.0 million in 1999, primarily due to substantial non-cash acquisition-related charges. Income from continuing operations increased 44% from $354.8 million in 1998, a year in which results were adversely impacted by economic factors in Asia, to $511.0 million in 1999. Diluted earnings per share from continuing operations was $0.46 per share in 2000 compared to $0.65 per share in 1999. In 1999, diluted earnings per share from continuing operations increased 37% from $0.47 per share in 1998 to $0.65 per share.

Corning's 2000, 1999 and 1998 results were impacted by significant nonrecurring items including gains and losses on the disposition and restructuring of businesses, IPRD charges, other acquisition-related charges and impairment losses. In addition, as a result of its acquisition strategy, Corning began to record significant amounts of amortization of purchased intangibles and goodwill in 2000. These amounts will increase in 2001 as a result of transactions completed throughout 2000.

Corning believes a better understanding of the changes in its operating results is provided by comparing its operating results on a pro forma basis excluding amortization of purchased intangibles and goodwill, purchased IPRD costs, one-time acquisition costs and nonrecurring items. This measure is not in accordance with, or an alternative for, generally accepted accounting principles (GAAP) and may not be consistent with measures used by other companies. It should be considered supplemental data.

Pro forma net income in 2000 totaled $1.1 billion and pro forma earnings per share was $1.23, an increase of 108% and 84%, respectively over 1999. Pro forma net income in 1999 was $524.7 million, or $0.67 per share, an increase of 32% and 26%, respectively over 1998. Corning calculates pro forma net income from net income from continuing operations as follows (after tax and in millions):

	Year Ended December 31,		
	2000	1999	1998
Net income from continuing operations	$ 409.5	$ 511.0	$ 354.8
Nonoperating gains	(4.2)	(9.5)	(22.9)
Amortization of purchased intangibles, including goodwill	218.4	21.8	17.4
In-process research and development charges	399.3		
Other acquisition-related charges	43.4		
Provision for impairment and restructuring charges, net		1.4	49.2
Gain in equity in earnings of associated companies	(11.7)		
Impairment of equity investment	36.3		
Pro forma net income	$ 1,091.0	$ 524.7	$ 398.5
Pro forma diluted earnings per share	$ 1.23	$ 0.67	$ 0.53

See Non-Segment Results on page 58 for a discussion of these nonrecurring items.

OPERATING SEGMENTS

Corning groups its products into three operating segments: Telecommunications, Advanced Materials and Information Display. Corning also includes the earnings of equity affiliates that are closely associated with Corning's operating segments in segment net income. Information about the performance of Corning's operating segments is presented on the following pages. Segment amounts exclude revenues, expenses and equity earnings not specifically identifiable to segments. In the first quarter of 2000, Corning changed the performance measurement of its operating segments to a new metric — segment net income excluding amortization of purchased intangibles and goodwill, purchased IPRD costs, one-time acquisition costs and other nonrecurring items. This measure is not in accordance with GAAP and may not be consistent with measures used by other companies. The segment results for 1999 and 1998 have been restated to conform to the new measure.

Corning prepared the financial results for its three operating segments on a basis that is consistent with the manner in which Corning management internally disaggregates financial information to assist in making internal operating decisions. Corning has allocated some common expenses among segments differently than it would for stand alone financial information prepared in accordance with GAAP. The nonrecurring items noted above are excluded from segment net income, but are described more fully in Non-Segment Results.

TELECOMMUNICATIONS

(In millions)	2000	1999	1998
Net sales	$ 5,120.7	$ 2,958.2	$ 2,139.6
Research, development and engineering expenses	$ 390.4	$ 260.8	$ 203.7
Interest expense	$ 69.0	$ 58.8	$ 39.8
Segment earnings before minority interest and equity earnings	$ 677.2	$ 330.4	$ 265.3
Minority interest in (earnings) losses of subsidiaries	3.0	(34.6)	(38.0)
Equity in earnings of associated companies	1.0	14.9	22.7
Segment net income	$ 681.2	$ 310.7	$ 250.0
Segment earnings before minority interest and equity earnings as a percentage of segment sales	13.2%	11.2%	12.4%
Segment net income as a percentage of segment sales	13.3%	10.5%	11.7%

The Telecommunications Segment produces optical fiber and cable, optical hardware and equipment, photonic modules and components and optical networking devices for the worldwide telecommunications industry.

2000 VS. 1999

Sales in the Telecommunications Segment increased 73% over 1999 to $5.1 billion. Excluding acquisitions, sales growth was 50%. The sales growth in the segment was led primarily by volume gains in the optical fiber and cable business, hardware and equipment and photonic technologies businesses. Segment net income more than doubled in 2000 compared to 1999. The percentage increase in segment net income exceeds the increase in sales, reflecting an overall increase in segment gross margin percentage and a decrease in research, development and engineering as a percentage of sales.

Sales in the optical fiber and cable business in 2000 increased approximately 70% over 1999 to approximately $2.9 billion. The increase in sales resulted chiefly from the impact of acquisitions and strong volume gains for LEAF® optical fiber. Volume growth continues to be driven by regional, local and long-haul telephone companies and cable television operators, including significant European carriers benefiting from continued deregulation of the telecommunications industry throughout Europe. Approximately $460 million of the increase in optical fiber and cable sales primarily resulted from the following acquisitions:

— the acquisition of the remaining 50% interest in Siecor GmbH and the cabling business previously owned by Siemens in the first quarter of 2000,
— the acquisition of the optical cable business from BICC, plc and the remaining 50% interest in Optical Waveguides Australia, Pty. Ltd. in the second quarter of 1999.

Excluding the impact of these acquisitions, sales in the optical fiber and cable business increased 42% for the year principally due to volume gains of almost 50%, reflecting continued strong demand for Corning's premium fiber products. Volume of premium fiber and cable products, including Corning's LEAF optical fiber, more than doubled over the same period in 1999. Price declines ranged between 5% and 10% for Corning's optical fiber and cable products in comparison with last year. The weighted-average optical fiber and cable price in 2000 remained relatively stable compared to 1999. The rate of price declines for cabled products slowed throughout 2000 commensurate with the worldwide tightening of supply of optical fiber.

As a result of continued strong worldwide demand for optical fiber and cable, Corning continued to produce at maximum manufacturing capacity and invest capital to further expand capacity. The following optical fiber capacity expansion announcements were made in 2000 (approximate amounts):

— In December, Corning announced plans to invest in a new optical fiber manufacturing facility in Oklahoma City, OK with construction to begin in 2001 and production to start in 2004. In February 2001, Corning's board of directors approved a $400 million investment for the project.
— In December, Corning announced plans to invest an additional $450 million in its Concord, NC facility creating the largest optical fiber plant in the world by 2004.
— In September, Corning announced plans to upgrade and expand its Deeside, North Wales facility by investing $50 million. This investment will increase capacity for the optical fiber manufacturing facility by over 50%.
— In February, Corning announced a $750 million expansion of its Concord and Wilmington, NC fiber production facilities which are expected to come on-line in late 2001 and 2002.

The effect of all the expansions announced in 2000 will permit Corning to increase its manufacturing capacity for optical fiber 20% in 2001 and at least 25% per year from 2002 to 2004.

Net income from the optical fiber and cable business increased approximately 84% in 2000 compared to 1999. The strong earnings performance is due to volume growth in high-data rate products, relatively stable pricing and a shift to a higher premium product mix.

Sales in the telecommunications hardware and equipment business, including the Gilbert Connectors business acquired in the Oak merger, increased over 82% in 2000 to approximately $1.02 billion. This increase resulted from a higher volume of existing products, the Siemens transaction and particularly strong demand from cable television customers, offset in part by price declines. Excluding acquisitions, sales increased 57% over 1999. Overall net income almost doubled over 1999 largely due to volume increases.

The photonic technologies business, including the Lasertron business acquired in the Oak merger, manufactures photonic modules and components primarily for the optical amplification market. Sales in this business more than doubled over 1999 to approximately $970 million. The business realized strong volume gains in 2000 led by new product sales, growth in amplifier sales and acquisitions. The operating performance in this business improved in 2000 as the business became solidly profitable due to strong volume, productivity gains and more cost efficient access to pump lasers achieved through the acquisition of Lasertron. Corning continues to invest heavily in research and development in this business.

Photonic technologies is an integral part of Corning's capital spending plan. Corning is investing significant capital to support the business and in early 2001 and 2000 announced the following (approximate amounts) capital expansion plans:

— In February 2001, Corning announced plans to invest $150 million at Optical Technologies in Milan, Italy to increase capacity of the business purchased from Pirelli.
— In December, Corning announced plans to invest $150 million at Benton Park, PA effectively increasing capacity of amplifier modules by 50% and dispersion compensation modules over 200%.
— In August, Corning announced plans to invest $80 million in constructing a new passive components manufacturing facility in Henrietta, NY. The investment will double production of fiber-based passive components and is expected to begin production in early 2001.
— In July, Corning announced a $225 million expansion of Corning Lasertron in Nashua, NH that combined with the $45 million expansion announced in April 2000 will increase the existing capacity of Corning Lasertron products by six times over the next two years.
— In June, Corning announced a $50 million investment in its Erwin, NY facility to bolster capacity for photonic modules.
— In April, Corning announced a $50 million investment for the addition of a second amplifier assembly plant in Benton Park, PA. Startup production began in the third quarter with initial shipments in early October. This expansion will more than double Corning's module and amplifier manufacturing capacity.

— In February, Corning and Samsung Electronics announced the formation of an equity-venture to mass produce micro optic products. Samsung Corning Micro-Optics will manufacture DWDM packaged components.
— In June, Corning and Samsung Electronics announced the approval of a $110 million capacity expansion in the equity-venture that will quadruple its production of DWDM components.

During the third quarter of 2000, the optical networking business which designs and manufactures wavelength management products and optical switch modules, began shipments of its wavelength management products to customers. Sales for 2000 were approximately $10 million. This business operated at a loss due to significant research and development investments. In August, Corning announced plans to invest $20 million to increase its capacity for the manufacture of wavelength management products. This investment will increase capacity of PurePath products by six times and is expected to become operational in the third quarter of 2001.

The other business in this segment is the Controls and Connectors business acquired in the Oak merger. This business manufactures control systems, switches, and encoders and also designs and manufactures devices used in wireless, wireline and fiber-optic applications. Sales in this business increased 14% in 2000 to approximately $240 million. Net income from this business improved slightly, moving from breakeven in 1999 to modest profitability in 2000, primarily due to volume increases.

Sales to Corning's largest customer accounted for approximately 12% of the Telecommunications Segment sales in 2000, including a significant portion of total sales in the photonic technologies business. Sales to this customer in 1999 were approximately 11% of the Telecommunication Segment sales.

1999 VS. 1998

Sales in the Telecommunications Segment increased 38% over 1998 to approximately $3.0 billion. The sales growth in the segment was led primarily by volume gains in the optical fiber and cable and photonic technologies businesses. Segment net income rose 24% in 1999 compared to 1998. The percentage increase in net income is lower than that of sales because of planned higher research and development spending and an increased volume of lower margin products.

Sales in the optical fiber and cable business in 1999 increased 45% over 1998 to approximately $1.7 billion. The increase in sales resulted primarily from the impact of acquisitions and volume gains. Approximately $220 million of the increase in optical fiber and cable sales resulted from the following acquisitions:

— the acquisition of the optical cable business from BICC, plc and the remaining 50% interest in Optical Waveguides Australia, Pty. Ltd. in the second quarter of 1999,
— the acquisition of Optical Fibres in December 1998.

Excluding the impact of these acquisitions, sales in the optical fiber and cable business increased approximately 38% for the year due to volume gains of approximately 40%, reflecting continued strong demand for Corning's premium fiber products. Volume growth continues to be driven by regional, local and long-haul telephone companies and cable television operators, including large European carriers. These operators and carriers are installing optical fiber and adding new services to increase network capacity, as well as reducing operating costs. Volume of premium fiber and cable products, including Corning's new LEAF optical fiber, tripled over the same period in 1998. Price declines ranged between 10% and 20% for Corning's optical fiber and cable products in comparison with 1998. However, the weighted-average optical fiber and cable price in 1999 declined approximately 5% compared to 1998, due to the higher mix of premium product sales. The rate of price declines slowed during the second half of 1999 commensurate with the worldwide tightening of supply of optical fiber.

Net income from the optical fiber and cable business increased more than 30% in 1999 compared to 1998. The percentage increase in net income is lower than that of sales because of increased volume of lower margin products, start-up costs incurred at the Concord facility and lower equity earnings.

Sales in the telecommunications hardware and equipment business increased 17% in 1999 to approximately $560 million. This increase resulted primarily from a higher volume of existing products and particularly strong demand from cable television customers, offset in part by price declines. Overall net income increased only 7%, as increased volume was offset by lower margins due to price declines.

The photonic technologies business realized strong volume gains throughout 1999 led by new product sales. Sales in this business increased 64% in 1999 to approximately $475 million compared to 1998 sales of approximately $295 million. The operating performance in this business improved substantially in 1999 as a result of manufacturing efficiencies and cost reductions. Due to continued investment in research and development, this business incurred a loss; however, the overall results improved approximately 30% in comparison to 1998.

Corning continues to invest significantly in the research and development of future technologies, including spending on products within the optical switching market. Corning invested approximately $30 million in 1999 on these products.

The other business in this segment, the controls and connectors business, reported a sales increase of 23% in 1999 to approximately $210 million. The increase was primarily a result of the addition of sales from Tele Quarz, which was acquired in the fourth quarter of 1998. Excluding this acquisition, sales increased by 5%. Net income from these businesses declined 84%, primarily due to costs associated with the reorganization of the business' North American operations and the inclusion of the results of Tele Quarz, whose products sell at lower margins.

Outlook: Sales in the Telecommunications Segment are expected to trend upward by approximately 25% in 2001, led by the following factors:

— the continued demand for Corning's cabled premium fiber products, including LEAF and MetroCor,
— growth in demand for Corning's photonic technology devices, particularly from new products and customers,
— full year contributions from acquisitions completed in 2000 including the Pirelli acquisition, the Siemens transaction, NetOptix, NZ Applied Technologies (NZAT) and IntelliSense Corporation.

In early 2001, several customers in both the optical fiber and photonic technologies businesses announced that their order rate may be lower than expected. In addition, capital availability issues have caused the overall telecommunications market to soften. Corning has implemented a process to allocate fiber volume to previously unmet customer needs and has plans to add new customers and control spending to mitigate the impact of market softness.

Segment net income is expected to continue its double-digit growth as sales gains, cost reductions in optical fiber and cable and photonics products, and the elimination of integration costs related to the Siemens transaction should more than offset increased research and development spending and capacity expansion related costs.

ADVANCED MATERIALS

(In millions)	2000	1999	1998
Net sales	$ 1,086.0	$ 1,053.9	$ 1,020.1
Research, development and engineering expenses	$ 120.3	$ 94.5	$ 80.0
Interest expense	$ 18.2	$ 22.7	$ 16.7
Segment earnings before minority interest and equity earnings	$ 88.0	$ 90.9	$ 75.9
Minority interest in losses of subsidiaries			0.3
Equity in earnings of associated companies	22.6	21.7	17.6
Segment net income	$ 110.6	$ 112.6	$ 93.8
Segment earnings before minority interest and equity earnings as a percentage of segment sales	8.1%	8.6%	7.4%
Segment net income as a percentage of segment sales	10.2%	10.7%	9.2%

The Advanced Materials Segment manufactures specialized products with unique applications utilizing glass, glass ceramic and polymer technologies.

2000 VS. 1999

Sales in the Advanced Materials Segment increased 3% in comparison to 1999 to approximately $1.1 billion, chiefly due to growth in the semiconductor materials business and the environmental technologies business, which more than offset sales declines due to the divestiture of the Quanterra business in January 2000. Excluding the impact of the divestiture, sales improved almost 10%. Segment net income remained relatively flat in 2000 in comparison to last year as net income gains in most businesses were offset by losses in the life sciences business and flat equity earnings.

Sales in the environmental technologies business, the largest business in the segment and a manufacturer of catalytic converter substrates, increased almost 3% over 1999 to approximately $410 million. The growth in sales resulted from a strong worldwide automotive market in 2000 and increased market penetration of Corning's thin-wall products coupled with increases in the base substrate business that was partially offset by the weak Euro. Earnings in this business decreased approximately 12%, principally due to start-up costs of new plants in South Africa and China and elevated research and development spending on diesel substrate programs. South Africa began to ship products in September and China is expected to start shipments in 2001.

Sales in the life sciences business, a supplier of advanced microplates, high-density microarrays and other laboratory products, of approximately $250 million were down over 6% in comparison to 1999 as the business continues to see a shift in spending in the pharmaceutical industry from traditional products to genomics. The business reported a small loss in 2000 compared to a small profit in 1999. The loss was primarily due to an increased commitment to research and development and marketing costs associated with the launch of Corning's microarray technology products in the third quarter of 2000. Excluding start-up costs related to microarrays, earnings were flat compared to 1999.

Sales in Corning's other Advanced Materials businesses, including semiconductor materials and ophthalmic products, increased over 9% from 1999 to approximately $425 million. This increase was led by elevated sales of high purity fused silica products in the semiconductor materials business which more than offset the impact of the divestiture of Quanterra in January. Excluding the divestiture of Quanterra, sales improved over 32%. Earnings from these businesses more than doubled over 1999 due largely to increased volume and despite flat performances from Eurokera and Keraglass, S.N.C., French based manufacturers of glass ceramic cooktops.

1999 VS. 1998

Sales in the Advanced Materials Segment increased 3% in comparison to 1998 to approximately $1.1 billion, primarily due to growth in the environmental technologies business, offset by lower sales in the ophthalmic business. Segment net income increased 20% in 1999 in comparison to the prior year. This significant increase resulted from sales gains, as well as manufacturing efficiencies, in the environmental technologies business. Increased equity earnings also contributed to segment results.

Sales in the environmental technologies business increased 12% over 1998 to approximately $400 million. The increase in sales in this business resulted primarily from the introduction of Corning's new thin-wall ceramic substrate product and strong sales in North America. Earnings in this business increased over 30%, reflecting the strong sales gains and manufacturing efficiencies. To meet anticipated demands for emission control products, Corning started construction on a new $80 million wholly owned manufacturing facility in China and announced plans to build a finishing facility in South Africa.

Sales in the life sciences business in 1999 of approximately $265 million were flat in comparison to 1998 sales reflecting the impact of divestitures in 1998 and 1999. Excluding the impact of divestitures, sales in this business increased 9% in 1999 as a result of strong volume gains in the advanced life science market. Earnings in this business decreased significantly in 1999, primarily due to higher research and development spending on advanced life science products.

Sales in Corning's other Advanced Materials businesses decreased 2% from 1998 to approximately $390 million. Sales of high purity fused silica products in the semiconductor materials business continued to be impacted by softness in the semiconductor manufacturing equipment industry, particularly during the first half of the year.

During the latter part of 1999, Corning brought a portion of its manufacturing facility near Charleston, SC on-line as demand increased. Sales in the ophthalmic business in 1999 were impacted by the continued erosion in the worldwide demand for glass optical products, due to the consumer's increased preference for plastic lenses. Earnings from the other Advanced Materials businesses remained flat in comparison to 1998, as these sales declines were offset by increased equity earnings from Eurokera and Keraglass, S.N.C.

In January 2000, Corning sold Quanterra Incorporated to Severn Trent Laboratories for $35 million. Concurrent with management's decision to dispose of this business, Corning recognized an impairment loss in the third quarter of 1999 of $15.5 million ($10.0 million after tax) and a nonoperating gain of $6.8 million ($4.2 million after tax) in the first quarter of 2000. Neither of these events are included in the results of the Advanced Materials Segment.

Outlook: Segment sales in 2001 are expected to increase 8% to 10%. Volumes in high purity fused silica are expected to increase. Sales of environmental technologies are expected to be flat due to the recent slowdown in the domestic automotive market. Life science products, particularly the new microarray products, also are expected to continue to grow. Segment net income is expected to increase in 2001 reflecting these sales gains, aggressive cost reduction initiatives and the wind-down of startup costs in environmental technologies offset in part by the continued investment in research and development spending on advanced life science products and diesel substrates.

INFORMATION DISPLAY

(In millions)	2000	1999	1998
Net sales	$ 894.1	$ 701.2	$ 644.7
Research, development and engineering expenses	$ 29.2	$ 22.9	$ 23.7
Interest expense	$ 19.1	$ 11.2	$ 10.0
Segment earnings before minority interest and equity earnings	$ 114.2	$ 57.6	$ 39.2
Minority interest in earnings of subsidiaries	(26.7)	(22.7)	(27.6)
Equity in earnings of associated companies	144.5	67.8	44.9
Segment net income	$ 232.0	$ 102.7	$ 56.5
Segment earnings before minority interest and equity earnings as a percentage of segment sales	12.8%	8.2%	6.1%
Segment net income as a percentage of segment sales	26.0%	14.6%	8.8%

The Information Display Segment manufactures glass panels and funnels for televisions and CRTs (conventional video components), liquid crystal display glass for flat panel displays (display technologies) and precision lens assemblies for projection video systems.

2000 VS. 1999

Sales in the Information Display Segment increased 28% in 2000 to approximately $895 million, primarily due to strong growth in the display technologies and precision lens businesses. Segment net income more than doubled as did equity earnings, reflecting increased earnings in each business over 1999.

Sales in the conventional video components business remained relatively flat in 2000 in comparison to 1999 at approximately $355 million due to slightly lower volumes offset in part by price increases as the supply of television glass began to tighten. Earnings in this business increased 83% in comparison to 1999 primarily due to higher equity earnings, in addition to cost reductions and the impact of volume and mix as a shift to higher premium products occurred in 2000. The increase in equity earnings reflects improved volume and stable pricing at Samsung Corning Company Ltd. (Samsung Corning), a manufacturer based in South Korea that produces glass panels and funnels for television and display monitors.

Sales in the display technologies business in 2000 increased 76% over 1999 to approximately $335 million. This significant increase was the result of continued strong demand for the business' liquid crystal glass for flat panel displays, led by increased penetration into the desktop display market. Earnings in this business more than doubled compared to 1999, reflecting strong volume gains and stable pricing. Also equity earnings from Samsung Corning Precision Glass Company Ltd. (Samsung Corning Precision), a Korean manufacturer of liquid crystal display glass, more than doubled largely due to strong volume gains in the Korean marketplace.

The market for flat panel displays continues to grow annually in double digits. As a result, Corning continued to produce at maximum manufacturing capacity. In 2000, capacity doubled at Corning's facility in Japan and at Samsung Corning Precision's facility in Korea. The previously announced construction of a new finishing facility in Taiwan is on schedule to begin production in 2001. Corning invested approximately $295 million in the display technologies business in 2000 to increase capacity of liquid crystal glass.

Sales in the precision lens business increased 32% in 2000 to over $205 million as a result of strong volume growth for projection televisions driven by demand for larger size digital television sets in the entertainment market sector. Earnings in this business increased 59% over 1999 primarily due to volume gains, manufacturing efficiencies and the refocusing of product lines. In October, Corning announced a $55 million investment in this business to increase capacity of projection television assemblies by more than 60%.

During the fourth quarter of 2000, Samsung Corning recognized a nonoperating gain of $23.4 million from the divestment of its 40% interest in Samsung Corning Precision. Corning's $11.7 million share of this gain is excluded from segment equity earnings.

1999 VS. 1998

Sales in the Information Display Segment increased 9% in 1999 to approximately $700 million in comparison to 1998, primarily due to growth in the display technologies business, partially offset by declines in the conventional video components business. Segment net income almost doubled, reflecting strong equity earnings and gains within the display technologies business.

Sales in the conventional video components business declined 6% in 1999 to approximately $355 million, primarily due to volume declines and price reductions caused by a surplus of television glass. Earnings in this business decreased approximately 5% as the impact of volume and price declines more than offset higher equity earnings, cost reductions and the elimination of tank repair costs incurred in the prior year. The increase in equity earnings reflects strong volume and stable pricing at Samsung Corning.

Sales in the display technologies business in 1999 increased almost 60% compared to 1998 to approximately $190 million. This significant increase was the result of strong demand for the business' liquid crystal glass for flat panel displays, led by increased penetration into the desktop display market. Earnings in this business increased substantially in 1999, compared to 1998, reflecting volume gains, stable pricing and manufacturing improvements, along with significant equity earnings from Samsung Corning Precision. The increase in earnings from Samsung Corning Precision was primarily due to strong volume gains in the Korean marketplace and favorable exchange rates.

Sales in the precision lens business increased 8% in 1999 to approximately $155 million as a result of strong volume growth for projection televisions driven by demand for larger size televisions in the entertainment market sector. Earnings in this business increased approximately 25% in 1999 compared to 1998, primarily due to volume gains and manufacturing efficiencies.

Outlook: Sales in the Information Display Segment are expected to increase by approximately 20% in 2001 and segment net income is expected to increase by double-digit growth rates. These expected improvements are primarily led by the liquid crystal display business but with solid support from the precision lens business. Capacity expansions will come on-line in 2001 in both businesses to meet strong anticipated demand. In addition to increased volume, cost reduction programs in each business will contribute to the anticipated improvement in earnings.

NON-SEGMENT RESULTS

Corning's non-segment results include the operations of Steuben, a crystal manufacturer, and equity earnings from small strategic investments that are not aligned with Corning's three operating segments. In addition, the results of operating segments do not include nonoperating gains, amortization of purchased intangibles and goodwill, acquisition-related expenses including IPRD charges, or restructuring and impairment charges.

NONOPERATING GAINS

In 2000, Samsung Corning recorded a fourth quarter nonoperating gain of $23.4 million from the divestment of its 40% interest in Samsung Corning Precision. Corning's $11.7 million share of this gain is included in equity in earnings of associated companies.

In 2000, Corning recorded a first quarter nonoperating gain of $6.8 million ($4.2 million after tax) on the sale of Quanterra Incorporated to Severn Trent Laboratories for approximately $35 million.

In 1999, Corning recorded a third quarter nonoperating gain of $30.0 million ($9.5 million after tax and minority interest) as a result of the sale by Siecor Corporation of Republic Wire and Cable for approximately $52 million in cash and short-term notes.

In 1998, Corning recorded a second quarter nonoperating gain of $20.5 million ($13.2 million after tax) as a result of the merger between Molecular Simulations, Inc. and Pharmacopeia, Inc. The 1998 results also include a fourth quarter nonoperating gain of $19.2 million ($9.7 million after tax) related to the divestiture of several small life sciences businesses.

AMORTIZATION OF PURCHASED INTANGIBLES AND GOODWILL

Amortization of purchased intangibles and goodwill totaled $245.0 million ($218.4 million after tax) in 2000 compared to $27.8 million ($21.8 million after tax) in 1999 and $22.2 million ($17.4 million after tax) in 1998. Amortization of purchased intangibles and goodwill primarily relates to purchase business combinations. See Note 2 of the Notes to Consolidated Financial Statements for more information on purchase business combinations. Amortization of purchased intangibles and goodwill will increase in 2001 and will include charges for the entire year related to transactions completed late in 2000.

ACQUISITION-RELATED EXPENSES

In the fourth quarter of 2000, Corning recorded a non-tax deductible IPRD charge of $322.9 million related to the Pirelli acquisition.

In the second quarter of 2000, Corning recorded a non-tax deductible IPRD charge of $50.7 million related to the acquisitions of IntelliSense ($6.7 million) and NZAT ($44.0 million).

In the first quarter of 2000, Corning recorded an IPRD charge of $42.0 million ($25.7 million after tax) related to the acquisition of Photonics Technology Research Center (PTRC).

In the first quarter of 2000, Corning recorded a charge for acquisition costs related to the merger of Oak of $47.0 million ($43.4 million after tax) primarily comprised of legal and investment banking fees.

Charges for IPRD are described in more detail beginning on page 61.

RESTRUCTURING AND IMPAIRMENT CHARGES

In the first quarter of 2000, Corning discontinued recognition of equity earnings from Pittsburgh Corning Corporation (PCC) and recorded a charge to impair its investment for $36.3 million due to PCC's decision to file for bankruptcy protection and reorganization under Chapter 11 for asbestos litigation. See pages 65 and 82 for further detail.

In the third quarter of 1999, Corning recognized an impairment charge of $15.5 million ($10.0 million after tax) in connection with management's decision to sell Quanterra Incorporated.

In the second quarter of 1998, Corning recorded a restructuring charge of $84.6 million ($49.2 million after tax and minority interest). The charge was comprised of early retirement incentives offered to certain salaried non-union employees 55 years old or older satisfying service criteria and severance costs associated with work-force reductions of other non-union employees. The restructuring charge related to approximately 650 employees, all of whom were terminated as of June 30,1999. Corning determined in the fourth quarter of 1999 that the total costs of the incentive package would be less than anticipated. Consequently, Corning released restructuring reserves totaling $14.1 million ($8.6 million after tax) in the fourth quarter of 1999. All payments associated with this program have been made at December 31, 2000. Management estimates that the annualized cost savings related to these programs is approximately $30 million per year after taxes.

TAXES

Corning's effective tax rate for continuing operations was 58.9% in 2000, 30.7% in 1999 and 31.0% in 1998. The increase in 2000 was primarily due to the large amounts of nondeductible amortization of purchased intangibles and goodwill along with nondeductible purchased IPRD charges associated with acquisitions occurring in 2000. Excluding the impact of these and other nonrecurring items, the effective income tax rate was 32.4% in 2000, 30.0% in 1999 and 30.8% in 1998. The higher 2000 rate in comparison to 1999 was due to a higher percentage of Corning's earnings resulting from consolidated entities with higher effective tax rates. Note 6 of the Notes to Consolidated Financial Statements reconciles the effective tax rate to the statutory tax rate.

RESULTS OF DISCONTINUED OPERATIONS

On December 31, 1996, Corning distributed shares of Quest Diagnostics Incorporated and Covance Inc., which collectively comprised Corning's Health Care Services Segment, to its shareholders on a pro rata basis (the Distributions). Corning agreed to indemnify Quest Diagnostics on an after-tax basis for the settlement of certain government claims and against certain other claims that were pending at December 31, 1996. Coincident with the Distributions, Corning recorded a payable to Quest Diagnostics of approximately $25 million, which was management's best estimate of amounts which were probable of being paid by Corning to Quest Diagnostics to satisfy the remaining indemnified claims on an after-tax basis. Quest Diagnostics settled a significant matter with the Department of Justice late in 2000 requiring Corning to reimburse Quest Diagnostics $9 million. As a result, in the fourth quarter Corning released reserves totaling $12.5 million after tax in excess of the indemnified settlement between Quest Diagnostics and the Department of Justice.

On April 1, 1998, Corning completed the recapitalization and sale of a controlling interest in its consumer housewares business (the Consumer transaction). Corning's Consolidated Financial Statements report the consumer housewares business as discontinued operations.

Results of discontinued operations in 1999 and 1998 pertain to the consumer housewares business and include operating results through March 31, 1998. During the fourth quarter of 1999, certain indemnification agreements related to this transaction expired. As a result, Corning recorded income from discontinued operations in 1999 of $4.8 million after tax from the release of reserves provided at the date of the transaction. Income from discontinued operations in 1998 totaled $66.5 million and included an after tax gain from the transaction of $67.1 million recognized in the second quarter.

Corning's working capital increased from $430.2 million at the end of 1999 to $2,685.7 million at the end of 2000. The ratio of current assets to current liabilities was 2.4 at the end of 2000 compared to 1.3 at the end of 1999. The increase in working capital is due primarily to financing transactions, higher accounts receivable and inventory balances and a reduction in short term debt. Corning's long-term debt as a percentage of total capital decreased from 35% at year-end 1999 to 27% at the end of 2000. The decrease is largely due to equity offerings totaling 79.35 million shares and over 90 million shares issued in business combinations during 2000.

Corning has ready access to capital markets and issues stock and debt from time to time to fund its growth. In 2000, Corning completed the following significant financing transactions:

— In November, Corning issued 34.5 million shares of Corning common stock to generate net proceeds of approximately $2.4 billion.
— In November, Corning offered $2.7 billion of senior unsecured zero coupon convertible debentures due in 2015. The net proceeds from the debentures approximated $2 billion.

A portion of the proceeds from both November offerings were used to finance the approximate $3.6 billion cash portion of the Pirelli acquisition in December 2000. The remaining proceeds will be used for general corporate purposes.

— In January 2000, Corning issued 44.85 million shares of Corning common stock to generate net proceeds of approximately $2.2 billion.
— In February 2000, Corning completed an offering of 500 million Euro-denominated securities which generated net proceeds of approximately $485 million.

A portion of the proceeds from both the January and February financing transactions were used to fund the Siemens acquisition, repay debt assumed in the merger with Oak and satisfy all of Corning's outstanding commercial paper obligations.

Also in support of Corning's growth strategy and to enhance its financial flexibility, in August 2000, Corning renegotiated a revolving line of credit totaling $2 billion, which expires August 17, 2005. As of December 31, 2000 there were no borrowings under the facility.

Corning filed a $4 billion global shelf registration statement in August 2000 that was later amended to $4.8 billion. The November financing transactions have substantially depleted its capacity. Corning will file a shelf registration in the first quarter of 2001 in accordance with its policy to readily access capital markets.

Corning believes that its financial condition is strong and that its cash, short-term investments, operating cash flows and access to equity capital markets and borrowing capacity, taken together, provide adequate resources to fund ongoing operating requirements, future capital expenditures related to the expansion of existing businesses and external growth.

CASH FLOWS

Cash and short-term investments at the end of 2000 increased from 1999 by $1.5 billion. This increase is the result of operating and financing activities which provided cash of $1.4 billion and $6.7 billion, respectively, offset by investing activities which used $6.6 billion of cash. Cash and short-term investments at the end of 1999 increased from 1998 by $221.2 million. This increase is the result of operating and financing activities which provided cash of $866.9 million and $303.9 million, respectively, offset partially by investing activities which used $932.9 million of cash.

Net cash provided by operating activities was $1,421.2 million, $866.9 million and $682.2 million in 2000, 1999 and 1998, respectively. The increase in net cash provided by operating activities in 2000 primarily resulted from significant non-cash acquisition-related charges, higher depreciation and amortization of purchased intangibles and goodwill, increased tax benefits related to stock options offset by an increase in accounts receivable and inventory. The increase in net cash provided by operating activities in 1999 as compared to 1998 primarily resulted from the increase in net income from continuing operations before depreciation and amortization.

Net cash used in investing activities was $6,549.1 million, $932.9 million and $182.8 million in 2000, 1999 and 1998, respectively. The increase in net cash used in investing activities in 2000 was primarily attributable to increased net cash used for capital expenditures and acquisitions of businesses including the Pirelli acquisition, the Siemens transaction, Champion Products Inc. and PTRC. The increase in net cash used in investing activities in 1999 as compared to 1998 primarily resulted from capital expenditures.

Corning has invested significant cash in capital expansions in the last three years. Capital spending in 2000 totaled $1.7 billion, $196 million of which was unpaid at year-end and recorded in accounts payable at December 31, 2000. Capital spending totaled $757.1 million and $730.4 million in 1999 and 1998, respectively. The high level of capital spending since 1998 relates primarily to capacity expansions in Corning's growth businesses and expanded research and development facilities. Corning's 2001 capital spending program anticipates a requirement of approximately $2.5 billion.

Net cash provided by or (used in) financing activities was $6,648.2 million, $303.9 million and $(378.2) million in 2000, 1999 and 1998, respectively. The increase in net cash provided by financing activities was primarily due to proceeds from issuance of common stock related to two common stock offerings in 2000 and proceeds from issuance of debt generated by the offeringof Euro-denominated debt and zero coupon convertible debentures. The increase in net cash provided by financing activities in 1999 from 1998 was primarily due to an increase in proceeds from issuance of debt.

Corning did not repurchase any of its common stock in 2000. Cash used to repurchase stock totaled $96.2 million and $74.3 million in 1999 and 1998, respectively. These amounts include Oak's historical repurchases of its stock. Corning repurchased 4.2 million and 6.0 million shares of its common stock in 1999 and 1998, respectively.

Dividends paid to common shareholders in 2000 totaled $210.7 million compared with $175.7 million in 1999 and $166.8 million in 1998. The increase is due to an increase in the number of shares outstanding.

Cash used in discontinued operations totaled $1.6 million, $12.5 million and $172.0 million in 2000, 1999 and 1998, respectively. The high level of cash used in discontinued operations in 1998 is primarily a result of transaction costs and tax payments related to the Consumer transaction.

IN-PROCESS RESEARCH AND DEVELOPMENT

Corning completed a number of purchase acquisitions in 2000. As part of analyzing each of these acquisitions, Corning made a decision to buy technology that had not yet been commercialized rather than develop the technology internally. Corning based this decision on a number of factors, including the amount of time it would take to bring the technology to market. Corning also considered its internal research resource allocation and its progress on comparable technology, if any. Corning expects to use the same decision process in the future.

In connection with the acquisitions accounted for under the purchase method, management is responsible for estimating the fair value of the assets and liabilities acquired. Management has made estimates and assumptions that affect the reported amounts of assets, liabilities and expenses resulting from such acquisitions.

Amounts allocated to purchased IPRD were established through recognized valuation techniques in the high technology communications industry. Certain projects were acquired for which technological feasibility had not been established at the date of acquisition and for which no alternative future uses existed. In accordance with Statement of Financial Accounting Standards No. 2, "Accounting for Research and Development Costs" as interpreted by FASB Interpretation No. 4, "Applicability of FASB Statement No. 2 to Business Combinations Accounted for by the Purchase Method," amounts assigned to IPRD meeting the above criteria must be charged to expense at the date of consummation of the purchase.

The value allocated to projects for which a charge was recorded was determined by the traditional income approach, which discounts expected future debt-free income to present value. The discount rates used were specific to each project and were derived from a cost of capital for each specific acquisition target, adjusted upward for the stage of completion of each project.

Expected future debt-free income was derived with the following considerations:

- Revenues were estimated based on relevant market size, growth trends in the industry and individual product sales cycles.
- Estimated operating expenses included cost of goods sold, selling, general and administrative expenses, and research and development expenses to maintain the products once they have been introduced.
- Estimated tax expenses were specific to each acquired entity and its tax profile.
- For certain projects, as appropriate, a return on core technology was deducted based upon market standards for licensed existing technology and a return on assets was deducted based upon industry comparisons.

The nature of the efforts to develop the acquired technology into commercially viable products consists principally of planning, designing and testing activities necessary to determine that the product can meet market expectations. Corning expects that products incorporating the acquired technology from these projects will be completed and will begin to generate cash flows over the next five years following integration.

Management expects to continue supporting these research and development efforts. This support is not expected to change Corning's research and development expense trends. However, the timing and success of development of these technologies remains a risk due to the remaining effort to achieve technical viability, rapidly changing customer markets, uncertain standards for new products and significant competition in the marketplace.

The following is a more detailed discussion of the valuations associated with acquisitions for which such charges have been recorded:

OPTICAL TECHNOLOGIES USA (OTUSA)

On December 12, 2000, Corning completed the acquisition of Pirelli's optical components and devices business based in Milan, Italy. This business had significant research and development projects ongoing at the time of the acquisition. Twelve of these projects were valued as IPRD projects. Projected debt-free income was initially discounted using a rate of 17% to reflect the weighted-average cost of capital (entity risk) for this entity. Each product was also discounted to account for the research project's stage of development. Corning recorded a non-tax deductible IPRD charge of $322.9 million in the fourth quarter of 2000.

Failure to achieve the expected levels of revenue and net income from these products could negatively impact the return on investment expected at the time that the acquisition was completed and potentially result in impairment of other assets related to this investment.

Costs to complete the in-process research programs are expected to approximate $25 million to $30 million. These projects have been categorized into four product technologies as follows:

Lithium Niobate Modulators

OTUSA is developing a number of different lithium niobate modulators. Lithium niobate modulators are ideally suited for use in high-speed, long-haul optical communications networks. The technology has been chosen by a majority of long-haul equipment suppliers because it has the best combination of optical, electronic and reliability performance. Five of the research projects qualified as IPRD projects, and the completion percentages of these five projects ranged from 10%-90%. A non-tax deductible charge of $235.0 million was recognized and the value of individual modulator projects in-process ranged from $18.8 million to $82.5 million.

Submarine Products

OTUSA's optical components and devices business is continuing to develop high reliability 980 nanometer (nm) pump laser chips and modules for submarine use. These devices are components within an optical amplifier. At the acquisition date, two IPRD projects with completion percentages of 10% and 50% were valued. A non-tax deductible charge of $25.6 million resulted from 980 nm pump laser submarine projects in process. Individual research values were $2.9 million and $22.7 million.

Gratings

At the date of acquisition, three qualifying gratings programs with completion percentages ranging from 20%-85% were valued. A non-tax deductible IPRD charge of $16.6 million resulted from gratings programs. Individual in-process projects were valued between $2.4 million and $10.6 million.

Specialty Fiber

Two specialty fiber programs at OTUSA's optical components and devices business met the definition of IPRD. Specialty fibers are used in conjunction with several other components to make an erbium doped fiber amplifier, which boosts the strength of the optical signal. At the acquisition date, these projects were 40% and 60% complete. A non-tax deductible IPRD charge of $45.7 million resulted from specialty fiber programs, with the largest program being valued at $42.0 million.

INTELLISENSE

On June 12, 2000, Corning completed the acquistion of the remaining shares of IntelliSense, a manufacturer and developer of micro-electro-mechanical systems (MEMs), or small electro-mechanical, micro-fabricated devices. MEMs technology, when integrated with optics and packaging expertise, enables the development of optical add-drop switches and optical cross connects, that are expected to play a key role in the development and build out of the optical networking layer. As of the acquisition date, IntelliSense had three qualifying research projects underway. These research and development projects are anticipated to result primarily in the development of new telecommunications products. Projected debt-free income was initially discounted using a rate of 20% to reflect the weighted-average cost of capital (entity risk) for IntelliSense. Each product was also discounted to account for the research project's stage of development. The completion percentages ranged from 10%-90%. At the acquisition date, the projected costs to complete the IPRD programs approximated $20 million. Corning recorded a $6.7 million IPRD charge in the second quarter of 2000. No project valued exceeded $4.5 million.

If none of the projects are successfully completed, Corning may lose an opportunity to capitalize on emerging markets. Failure of any single project would not materially impact Corning's financial condition, results of operations or liquidity.

In all material respects, the research projects have progressed as planned at acquisition.

NZ APPLIED TECHNOLOGIES

On May 5, 2000, Corning completed the acquisition of NZAT. NZAT was developing a line of high speed, solid-state components for DWDM systems, such as variable optical attenuators, that will meet industry demands for speed and quality. Of these projects, four were determined to meet the criteria for purchased IPRD as of the acquisition date. Projected debt-free income was initially discounted using a rate of 21% to reflect the weighted-average cost of capital (entity risk) for NZAT. Each product was also discounted to account for the research project's stage of development. The completion percentages ranged from 10%-80%. At the acquisition date, the projected costs to complete the IPRD programs approximated $10 million. A $44.0 million non-tax deductible IPRD charge was recognized and the value of individual projects ranged from $0.5 million to $29.3 million.

If none of the projects are successfully completed, Corning may lose an opportunity to capitalize on emerging markets. Failure of any single project would not materially impact Corning's financial condition, results of operations or liquidity.

In the fourth quarter of 2000, NZAT completed certain product development milestones for its variable optical attenuator products.

PHOTONICS TECHNOLOGY RESEARCH CENTER

On February 14, 2000, Corning acquired British Telecommunication's PTRC. Located in Suffolk, UK, the PTRC had extensive research and development efforts underway at the acquisition date including work on planar integrated optics, semiconductor optical amplifiers, electro-absorption modulators, and optical networking devices. Seven projects were determined to meet the criteria for purchased IPRD. Projected debt-free income was determined for each of the projects and initially discounted using a rate of 35% to reflect the weighted-average cost of capital (entity risk) for PTRC. Each product was also discounted to account for the research project's stage of development. The completion percentages ranged from 50%-80%. At the acquisition date, the projected costs to complete the IPRD programs approximated $40 million. A $42.0 million ($25.7 million after tax) IPRD charge was recognized and the value of individual projects ranged from $0.1 million to $16.0 million.

If none of the projects are successfully completed, Corning may lose an opportunity to capitalize on emerging markets. Failure of any single project would not materially impact Corning's financial condition, results of operations or liquidity.

Overall, substantial progress has been made on these projects, and the assumptions used to value these projects have not substantially changed since the acquisition date.

DOW CORNING CORPORATION

Corning is a 50% owner of Dow Corning Corporation (Dow Corning), a manufacturer of silicones. The other 50% of Dow Corning is owned by The Dow Chemical Company (Dow Chemical).

On May 15, 1995, Dow Corning sought protection under the reorganization provisions of Chapter 11 of the United States Bankruptcy Code, as a result of several negative developments related to the breast implant litigation. At that time, Corning management believed it was impossible to predict if and when Dow Corning would successfully emerge from Chapter 11 proceedings. As a result, Corning recorded an after tax charge of $365.5 million to fully reserve its investment in Dow Corning and discontinued recognition of equity earnings from Dow Corning in 1995. The bankruptcy proceeding is pending in the United States Bankruptcy Court for the Eastern District of Michigan, Northern Division (Bay City, Michigan). The bankruptcy filing stayed the prosecution against Dow Corning of approximately 19,000 breast-implant product liability lawsuits, including 45 class actions. In the period from December 1996 through February 1998, Dow Corning filed a plan of reorganization and two amended plans, each of which was opposed by creditor representatives. In 1998, Dow Corning and the Tort Claimants Committee engaged in extended negotiations and reached certain compromises. On November 8, 1998, Dow Corning and the Tort Claimants Committee jointly filed a revised Plan of Reorganization (Joint Plan). The Joint Plan and related disclosure materials were mailed to claimants for their approval. Following a favorable vote from all but four classes of creditors, a hearing to confirm the Joint Plan was held in mid 1999.

On November 30, 1999, the Bankruptcy Court entered an order confirming the Joint Plan and indicated that certain written opinions would follow. On December 21, 1999, the Bankruptcy Court issued an opinion that approved the principal elements of the Joint Plan with respect to tort claimants, but construed the Joint Plan as providing releases for third parties (including Corning and Dow Chemical as shareholders) only with respect to tort claimants who voted in favor of the Joint Plan. A number of parties opposing the Joint Plan filed appeals on a variety of grounds to the United States District Court for the Eastern District of Michigan. Dow Corning and the Committee of Tort Claimants filed a notice of appeal seeking review of the ruling limiting the scope of the shareholder releases. Corning and Dow Chemical filed separate notices of appeal on this issue. On November 13, 2000, the District Court entered an Order affirming the Bankruptcy Court's November 30, 1999 Order confirming the Joint Amended Plan and reversing the Bankruptcy Court's December 21, 1999 Opinion on the release and injunction provisions. One group of plaintiffs filed a motion for reconsideration in the District Court and the District Court entered a February 5, 2001 Opinion Denying Motion for Reconsideration, confirming that the Litigation Facility under the Joint Plan is the defendant in place of Dow Corning, Corning and Dow Chemical, and that Corning and Dow Chemical are not named defendants for direct claims. Approximately 20 appeals were filed from the District Court's Order and are pending in the Sixth Circuit Court of Appeals, which is expected to rule in the second half of 2001. After all appeals are exhausted, if the Joint Plan is upheld but the shareholder releases are effective only for those voting in favor of the Joint Plan, Corning would expect to defend any remaining claims against it on the same grounds that led to a series of orders and judgments dismissing all claims against Corning in the federal courts and the state courts. With respect to the possibility of additional direct or indirect claims against Corning if the full releases are not reinstated in the Joint Plan, management believes that such claims lack merit and that the breast implant litigation against Corning will be resolved without material impact on Corning's financial statements.

Under the terms of the Joint Plan, Dow Corning would be required to establish a Settlement Trust and a Litigation Facility to provide a means for tort claimants to settle or litigate their claims. Dow Corning would have the obligation to fund the Trust and the Facility, over a period of up to 16 years, in an amount up to approximately $3.2 billion (nominal value), subject to the limitations, terms and conditions stated in the Joint Plan. Dow Corning proposes to provide the required funding over the 16 year period through a combination of cash, proceeds from insurance, and cash flow from operations. Corning and Dow Chemical have each agreed to provide a credit facility to Dow Corning of up to $150 million ($300 million in the aggregate), subject to the terms and conditions stated in the Joint Plan. The Joint Plan also provides for Dow Corning to make full payment, through cash and the issuance of senior notes, to its commercial creditors. If and when Dow Corning emerges from bankruptcy, Corning will likely begin to recognize equity earnings from Dow Corning. Corning does not expect to receive dividends from Dow Corning in the foreseeable future.

PITTSBURGH CORNING CORPORATION

Corning and PPG Industries, Inc. each own 50% of the capital stock of Pittsburgh Corning Corporation (PCC). PCC and several other defendants have been named in numerous lawsuits involving claims alleging personal injury from exposure to asbestos. As of the bankruptcy filing on April 16, 2000 PCC had in excess of 240,000 open claims. In the first quarter of 2000, after incurring adverse verdicts in five trials involving 19 claimants, PCC filed for Chapter 11 reorganization in the United States Bankruptcy Court for the Western District of Pennsylvania. At the time of its Chapter 11 filing, PCC sought and obtained a temporary restraining order and filed a motion for a preliminary injunction against the prosecution of asbestos actions against its two shareholders. The preliminary injunction has been extended by stipulation of the parties and by court order to May 21, 2001 to enable the parties to negotiate a plan of reorganization for PCC. Upon expiration of the injunction on or after May 21, 2001, PCC, PPG Industries and Corning will have 90 days to seek removal and transfer of stayed cases that have not been resolved through a plan of reorganization. As a result of PCC's bankruptcy filing, Corning recorded an after tax charge of $36.3 million in the first quarter of 2000 to impair its entire investment in PCC and discontinued recognition of equity earnings. At the time PCC filed for bankruptcy protection, there were approximately 12,400 claims pending against Corning alleging various theories of liability based on exposure to PCC's asbestos products, all of which are stayed pursuant to the injunction of the bankruptcy court. Before PCC filed for bankruptcy protection, Corning was dismissed from similar claims as cases against PCC proceeded to trial. The Chapter 11 filing may lead to additional claims against Corning with related costs of defense, charges and expenses. Although the outcome of litigation and the bankruptcy case is uncertain, management believes that the separate corporate status of PCC will continue to be upheld. Management is continuing to investigate Corning's options for defending claims against it, which might include vigorously defending itself on all fronts or exploring a global settlement through the bankruptcy process. The range of cost for these options (net of insurance) cannot be estimated at this time, although management believes these matters will be resolved without a materially adverse impact on Corning's financial position.

ENVIRONMENT

Corning has been named by the Environmental Protection Agency under the Superfund Act, or by state governments under similar state laws, as a potentially responsible party for 11 active hazardous waste sites. Under the Superfund Act, all parties who may have contributed any waste to a hazardous waste site, identified by such Agency, are jointly and severally liable for the cost of cleanup unless the Agency agrees otherwise. It is Corning's policy to accrue for its estimated liability related to Superfund sites and other environmental liabilities related to property owned and operated by Corning based on expert analysis and continual monitoring by both internal and external consultants. Corning has accrued approximately $17.1 million for its estimated liability for environmental cleanup and related litigation at December 31, 2000. Based upon the information developed to date, management believes that the accrued reserve is a reasonable estimate of Corning's estimated liability and that the risk of an additional loss in an amount materially higher than that accrued is remote.

EFFECTS OF INFLATION

Amounts reflected in the financial statements do not provide for the effect of inflation on operations or financial position. The expenses and asset values, specifically those related to long-lived assets, reflect historical cost and do not necessarily represent replacement cost or charges to operations based on replacement cost. Corning's operations provide funds which, along with other sources, are sufficient to replace fixed assets as necessary. Net income would be lower than reported if the effects of inflation were reflected by charging operations for replacement costs.

MARKET RISK DISCLOSURES

Corning operates and conducts business in many foreign countries and as a result is exposed to movements in foreign currency exchange rates. Corning's exposure to exchange rate effects includes:

— Exchange rate movements on financial instruments and transactions denominated in foreign currencies which impact earnings.
— Exchange rate movements upon conversion of net assets in foreign subsidiaries for which the functional currency is not the U.S Dollar which impact Corning's net equity.

Corning's most significant foreign currency exposures relate to Japan, Korea and Western European countries. Corning selectively enters into foreign exchange forward and option contracts with durations generally 12 months or less to hedge its exposure to exchange rate risk on foreign source income and purchases. The hedges are scheduled to mature coincident with the timing of the underlying foreign currency commitments and transactions. The objective of these contracts is to neutralize the impact of exchange rate movements on Corning's operating results. Corning also enters into foreign exchange forward contracts when situations arise where its foreign subsidiaries or Corning Incorporated enter into lending situations, generally on an intercompany basis, denominated in currencies other than their local currency. Corning does not hold or issue any derivative contracts that hedge its foreign currency denominated net asset exposures. In addition, prior to July 2000 one of Corning's subsidiaries entered into revenue sales contracts for certain of its revenues generated in foreign currencies. Such contracts were not subject to foreign currency gains or losses. Corning does not hold or issue derivative financial instruments for trading purposes.

Equity in earnings of associated companies represented 36% of Corning's income from continuing operations in 2000. Excluding PCC, foreign-based affiliates comprised 100% of this amount. Exchange rate fluctuations and actions taken by management of these entities to reduce this risk can affect the earnings of these companies.

Corning uses a sensitivity analysis to assess the market risk associated with its foreign currency exchange risk. Market risk is defined as the potential change in fair value of assets and liabilities resulting from an adverse movement in foreign currency exchange rates. At December 31, 2000, Corning and its consolidated subsidiaries had open forward contracts, open option contracts, foreign denominated debt and foreign cash and cash equivalent holdings with values exposed to exchange rate movements, all of which were designated as hedges at December 31, 2000. A 10% adverse movement in quoted foreign currency exchange rates could result in a loss in fair value of these instruments of $86 million.

The nature of Corning's foreign exchange rate risk exposures have not changed materially from December 31, 1999, however Corning's acquisition activity has expanded its presence in international markets and thus increased the degree of its exposures overall.

NEW ACCOUNTING PRONOUNCEMENTS

In December 1999, the Securities and Exchange Commission staff released Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements," (SAB 101), which provides guidance on the recognition, presentation and disclosure of revenue in financial statements. In June 2000, the implementation of SAB 101 was delayed until the end of 2000. Corning was required to comply with SAB 101 in the fourth quarter of 2000 (retroactive to January 1, 2000). Corning's revenue recognition policy was in compliance with this guidance and as a result, SAB 101 had no effect on Corning's financial position or results of operations.

In June 1998, the Financial Accounting Standards Board issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" (FAS 133), which establishes accounting and reporting standards for derivative instruments and hedging activities. FAS 133 requires an entity to recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. In June 2000, the FASB issued Statement No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities" (FAS 138), an amendment of FAS 133. These amendments include allowing foreign-currency denominated assets and liabilities to qualify for hedge accounting, permit the offsetting of certain inter-entity foreign currency exposures that reduce the need for third party derivatives, redefines the nature of interest rate risk to avoid sources of ineffectiveness and excludes from applicability any contract that would otherwise meet the definition of a derivative but provide for the purchase or sale of nonfinancial assets that will be delivered in quantities expected to be used or sold by the reporting entity over a reasonable period in the normal course of business and/or which physical delivery is probable. Corning currently enters into derivatives in the form of foreign currency hedge instruments to reduce its exposure to exchange rate risk on foreign source income and purchases. Corning will adopt FAS 133 effective on January 1, 2001. At that time, Corning will record an unrealized gain of $2.3 million to other comprehensive income to recognize at fair value all derivatives that are designated as cash flow hedging instruments at adoption. FAS 133 will have no effect on results of operations at the date of adoption.

(In millions, except share and per share amounts)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of all entities controlled by Corning. All significant intercompany accounts and transactions are eliminated.

The equity method of accounting is used for investments in associated companies which are not controlled by Corning and in which Corning's interest is generally between 20% and 50%.

As more fully described in Note 2, Corning merged with Oak Industries, Inc. (Oak) on January 28, 2000 in a pooling of interests transaction. The consolidated financial statements for 1999 and 1998 have been restated to include the financial position, results of operations and cash flows of Oak. No adjustments were needed to conform the accounting policies of Corning and Oak. In addition, no adjustments have been made for transactions between Corning and Oak as such transactions were not significant.

All share and per share amounts have been restated to reflect the three-for-one stock split of Corning common stock that became effective October 3, 2000.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect amounts reported therein. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may be based upon amounts that could differ from those estimates.

REVENUE RECOGNITION

Corning recognizes revenue when it is realized or realizable and has been earned. Product revenue is recognized when persuasive evidence of an arrangement exists, the product has been delivered and legal title and all risks of ownership have been transferred, written contract and sales terms are complete, customer acceptance has occurred and payment is reasonably assured. Corning reduces revenue for estimated product returns, allowances and price discounts based on experience.

FOREIGN CURRENCIES

Balance sheet accounts of foreign subsidiaries are translated at current exchange rates and income statement accounts are translated at average exchange rates for the year. Translation gains and losses are accumulated as a component of other accumulated comprehensive income. Foreign currency transaction gains and losses affecting cash flows are included in current earnings.

Corning enters into foreign exchange contracts primarily as hedges against identifiable foreign currency commitments. Gains and losses on contracts identified as hedges are deferred and included in the measurement of the related foreign currency transactions. Gains and losses on foreign currency contracts which are not designated as hedges of foreign currency commitments are included in current earnings.

Prior to July 2000, Corning entered into revenue sales contracts for certain of its revenues generated in foreign currencies. Such contracts, because of their terms, were not subject to foreign currency gains and losses.

CASH AND CASH EQUIVALENTS

Short-term investments, comprised of repurchase agreements and debt instruments with original maturities of 90 days or less, are considered cash equivalents.

Supplemental disclosure of cash flow information is as follows:

	2000	1999	1998
Changes in certain working capital items:			
Accounts receivable	$ (362.9)	$ (152.1)	$ (61.9)
Inventories	(280.2)	(81.3)	(19.6)
Other current assets	(78.3)	(6.8)	(13.6)
Accounts payable and other current liabilities	319.1	96.1	14.3
Total	$ (402.3)	$ (144.1)	$ (80.8)
Cash paid for interest and income taxes is as follows:			
Interest	$ 131.7	$ 130.9	$ 111.5
Income taxes	$ 121.1	$ 186.4	$ 194.2

MARKETABLE SECURITIES

Corning's marketable securities consist of equity securities classified as available-for-sale which are stated at estimated fair value based primarily upon market quotes. Unrealized gains and losses, net of tax, are computed on the basis of specific identification and are reported as a separate component of accumulated other comprehensive income in shareholders' equity until realized. A decline in the value of any marketable security below cost that is deemed other than temporary is charged to earnings, resulting in a new cost basis for the security.

INVENTORIES

Inventories are stated at the lower of cost (first-in, first-out basis) or market. Inventories at December 31, consisted of the following:

	2000	1999
Finished goods	$ 299.9	$ 206.1
Work in process	262.9	152.6
Raw materials and accessories	377.0	162.0
Supplies and packing materials	100.1	81.5
Total inventories	$ 1,039.9	$ 602.2

PROPERTY AND DEPRECIATION

Land, buildings and equipment are recorded at cost. Depreciation is based on estimated useful lives of properties using straight-line and accelerated methods. The estimated useful lives range from 20-40 years for buildings and 3-20 years for the majority of Corning's equipment. At December 31, plant and equipment consisted of the following:

	2000	1999
Land	$ 84.0	$ 68.8
Buildings	1,626.4	1,446.7
Equipment	4,454.8	3,487.7
Construction in progress	1,175.4	555.4
	7,340.6	5,558.6
Accumulated depreciation	(2,661.6)	(2,356.9)
Plant and equipment, net	$ 4,679.0	$ 3,201.7

Depreciation expense for 2000, 1999 and 1998 was $516.2 million, $375.5 million and $292.6 million, respectively. Approximately $56.5 million, $41.3 million and $46.8 million of interest costs were capitalized as part of plant and equipment in 2000, 1999 and 1998, respectively.

GOODWILL AND OTHER INTANGIBLE ASSETS

Investment costs in excess of the fair value of net assets acquired are amortized over appropriate periods not exceeding 40 years, but principally ranging from 5 to 25 years for acquisitions over the past three years. Other intangible assets are recorded at cost and amortized over periods generally ranging from 5 to 20 years. Corning reviews the recoverability of its long-lived assets, including goodwill and other intangible assets, when events or changes in circumstances occur that indicate that the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on Corning's ability to recover the carrying value of the asset from the expected future pre-tax cash flows (undiscounted and without interest charges) of the related operations. If these cash flows are less than the carrying value of such asset, an impairment loss is recognized for the difference between estimated fair value and carrying value. The measurement of impairment requires management to make estimates of these cash flows related to long-lived assets. It is reasonably possible that future events or circumstances could cause these estimates to change. Amortization expense for the years ended December 31, was as follows:

	2000	1999	1998
Amortization of purchased intangibles, including goodwill	$ 245.0	$ 27.8	$ 22.2
Amortization of other intangible assets	3.7	5.0	5.3
Amortization expense	$ 248.7	$ 32.8	$ 27.5

TAXES ON INCOME

Corning uses the asset and liability approach to account for income taxes. Under this method, deferred tax assets and liabilities are recognized for the expected future tax consequences of differences between the carrying amounts of assets and liabilities and their respective tax basis using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period when the change is enacted.

2. BUSINESS COMBINATIONS AND DIVESTITURES

POOLING OF INTERESTS

On January 28, 2000, Corning merged with Oak in a pooling of interests transaction. Corning issued 44,293,491 shares of Corning common stock and 8,137,500 options to purchase Oak common shares to complete the transaction. The consolidated financial statements for 1999 and 1998 have been restated to include the financial position and results of operations of Oak. During the first quarter of 2000, Corning recognized a charge of $47.0 million ($43.4 million after tax) for one-time acquisition costs related to Oak. The acquisition costs are primarily related to investment banking, legal and other fees of approximately $30 million. The charge also includes approximately $17 million of severance and other termination benefits for Oak corporate officers and headquarters employees. As of December 31, 2000, total severance benefits paid out were approximately $14 million. Separate revenue and income amounts of the merged companies for the years ended December 31, are as follows (in millions):

	1999	1998
Total revenues:		
Corning	$ 4,368.1	$ 3,572.1
Oak	444.4	349.5
Combined	$ 4,812.5	$ 3,921.6
Net income:		
Corning	$ 481.7	$ 394.0
Oak	34.1	27.3
Combined	$ 515.8	$ 421.3

PURCHASES

The transactions listed below were all accounted for under the purchase method of accounting. Management is responsible for estimating the fair value of the assets and liabilities acquired. Management has made estimates and assumptions that affect the reported amounts of assets, liabilities and expenses resulting from such acquisitions.

Amounts allocated to purchased in-process research and development (IPRD) were established through recognized valuation techniques in the high technology communications industry. Certain projects were acquired for which technological feasibility had not been established at the date of acquisition and for which no alternative future uses existed. In accordance with Statement of Financial Accounting Standards No. 2, "Accounting for Research and Development Costs" as interpreted by FASB Interpretation No. 4, "Applicability of FASB Statement No. 2 to Business Combinations Accounted for by the Purchase Method," amounts assigned to IPRD meeting the above criteria must be charged to expense at the date of consummation of the purchase.

The value allocated to projects for which a charge was recorded was determined by the traditional income approach which discounts expected future debt-free income to present value. The discount rates used were specific to each project and were derived from a cost of capital for each specific acquisition target, adjusted upward for the stage of completion of each project. The acquired entity discount rates ranged from 17% to 35%, and the stage of completion assigned to IPRD projects varied from 10% to 90%.

Corning expects that products incorporating the acquired technology from these projects will be completed and will begin to generate cash flows over the next five years following integration.

Optical Technologies USA

On December 12, 2000, Corning completed the acquisition of Optical Technologies USA, a manufacturer of lithium niobate modulators, pump lasers, certain specialty fibers and fiber gratings used in optical networks from Pirelli S.p.A. (90%) and Cisco Systems Inc. (10%) for approximately $3.6 billion in cash consideration to Pirelli and 5,473,684 shares of unregistered Corning stock to Cisco (the Pirelli acquisition). Based upon the average closing price of Corning common stock for a range of days surrounding the agreement adjusted for a discount commensurate with restrictions on the shares the total purchase price was $4.0 billion. The excess of the purchase price over the estimated fair value of tangible assets acquired was allocated primarily to goodwill, other intangibles and IPRD. Goodwill of approximately $3,472 million is being amortized on a straight-line basis over 13 years. Patents of approximately $152 million are also being amortized over 13 years. Corning recorded a non-tax deductible charge of $322.9 million for IPRD in the fourth quarter of 2000 associated with this transaction. The allocation of the purchase price is based on preliminary data and could change when final valuation information is obtained.

Champion Products

On October 10, 2000, Corning completed the acquisition of Champion Products Inc., a manufacturer of enclosures, power pedestals, shelters and a unique patented design for temperature controlled enclosures for telecommunications customers, for approximately $85 million in cash. The excess of the purchase price over the estimated fair value of tangible assets acquired was allocated primarily to goodwill. Purchased intangibles and goodwill of approximately $69 million are being amortized on a straight-line basis over 20 years.

IntelliSense

On June 12, 2000, Corning completed the acquisition of the remaining 67% interest in IntelliSense Corporation, a manufacturer of micro-electro-mechanical devices in exchange for 6,050,259 shares of unregistered Corning common stock and the assumption of stock options convertible into 1,968,312 shares of Corning common stock. Based upon the average closing price of Corning stock for a range of days surrounding the announcement adjusted for a discount commensurate with restrictions on the shares issued and a Black-Scholes valuation of the options issued, the recorded purchase price approximated $410 million. An additional 1,019,763 shares were issued upon the achievement of certain product milestones in the fourth quarter. This additional consideration was valued at approximately $77 million. The excess of the purchase price over the estimated fair value of tangible assets acquired was allocated primarily to goodwill. Goodwill of approximately $483 million is being amortized on a straight-line basis over 13 years. Corning recorded a non-tax deductible charge of $6.7 million for IPRD in the second quarter of 2000.

NetOptix

On May 12, 2000, Corning completed the acquisition of NetOptix Corporation for 33,719,067 shares of Corning common stock and the assumption of stock options convertible into 2,487,240 Corning shares. Based on the average closing price of Corning stock for a range of days surrounding the announcement and a Black Scholes valuation of options issued, the recorded purchase price approximated $2.1 billion. NetOptix manufactures thin film filters for use in dense wavelength division multiplexing components. The excess of the purchase price over the estimated fair value of tangible assets acquired was allocated to goodwill. Goodwill of approximately $2,066 million is being amortized on a straight-line basis over 10 years.

NZ Applied Technologies

On May 5, 2000, Corning completed the acquisition of the remaining 84% interest in NZ Applied Technologies (NZAT), a developer and manufacturer of photonic components for optical telecommunications applications including the optical networks industry, in exchange for Corning common stock. Based upon a range of days surrounding May 1, 2000, the date on which the number of shares became fixed, and adjusted for a discount commensurate with the restrictions on the shares, Corning issued 1,321,749 shares of unregistered common stock at closing with a fair value of approximately $75 million. In addition, Corning placed an extra 1,321,749 shares in escrow to be earned over the next three years contingent upon NZAT achieving certain product development and sales milestones. In the fourth quarter, NZAT achieved two milestones earning 528,702 shares of the escrowed stock valued at approximately $42 million. The remaining contingent proceeds, if earned, will be recorded at the then current fair value of Corning common stock. The excess of the purchase price over the estimated fair value of tangible assets acquired was allocated to goodwill and IPRD. Goodwill of approximately $73 million is being amortized on a straight-line basis over 10 years. Corning recorded a non-tax deductible charge of $44 million for IPRD in the second quarter of 2000.

Photonics Technology Research Center

On February 14, 2000, Corning acquired British Telecommunication's Photonics Technology Research Center (PTRC) for approximately $66 million in cash. The excess of the purchase price over the estimated fair value of tangible assets acquired was allocated to IPRD and purchased intangibles and goodwill. Purchased intangibles and goodwill of approximately $24 million is being amortized over lives up to nine years. Corning recorded a charge of $42.0 million ($25.7 million after tax) for IPRD in the first quarter of 2000.

Siemens Transaction
On February 2, 2000, Corning acquired the worldwide optical cable and hardware business of Siemens AG and the remaining 50% in Siecor Corporation and Siecor GmbH (the Siemens transaction). The purchase price of $1.4 billion (subject to customary purchase price adjustments) includes approximately $120 million in assumed debt and $145 million in contingent performance payments to be paid, if earned, over a four-year period. At December 31, 2000, approximately $50 million of this contingent consideration has been earned. Less significant portions of the transaction may close at various dates into 2001. At December 31, 2000, total cash paid to Siemens approximated $1.1 billion. The excess of the purchase price over the estimated fair value of tangible assets acquired, pending final determination of certain acquired balances, was allocated primarily to purchased intangibles and goodwill. Purchased intangibles and goodwill of approximately $650 million are being amortized over lives of 5 to20 years.

Corning Japan K.K.
On September 29, 1999, Corning acquired the 21% interest in Corning Japan K.K. it did not own for cash consideration of approximately $32 million. The excess purchase price over the estimated fair value of tangible assets acquired was allocated primarily to goodwill. Goodwill of approximately $18 million is being amortized on a straight-line basis over 20 years. Corning Japan K.K. produces flat panel display glass within the Information Display Segment, and will continue to be consolidated within Corning's operating results.

BICC and Optical Waveguides Australia
On April 30, 1999, Corning acquired BICC, plc's telecommunications cable business and the 50% equity interest in Optical Waveguides Australia, Pty. Ltd. (OWA) it did not already own for cash consideration of approximately $135 million. The excess purchase price over the estimated fair value of tangible assets acquired was allocated to goodwill and other intangible assets. Goodwill and other intangible assets of approximately $37 million are being amortized over periods ranging from 5 to 25 years. During the third and fourth quarters of 1999, adjustments to purchase accounting increased goodwill and primarily reduced property, plant and equipment. OWA became a wholly owned subsidiary as a result of this transaction and the results of its operations are included in the consolidated financial statements from the date of the transaction.

Optical Fibres
On December 1, 1998, Corning acquired the 50% interest in Optical Fibres previously owned by BICC, plc. The consideration was comprised of approximately $47 million in cash and the assumption of $27 million in debt. During the fourth quarter of 1999, adjustments to purchase accounting eliminated intangible assets and increased property, plant and equipment. Optical Fibres became a wholly owned subsidiary as a result of this transaction and the results of its operations are included in the consolidated financial statements from the date of the transaction.

Tele Quarz GmbH
On October 30, 1998, Oak completed the acquisition of Tele Quarz GmbH (Tele Quarz), a German manufacturer of frequency control products. The total purchase price, including debt assumed and transaction costs, was approximately $63.5 million. The excess purchase price over the estimated fair value of tangible assets acquired was allocated primarily to goodwill and other intangibles. Goodwill and other intangibles of approximately $18 million are being amortized over periods ranging from 12 to 30 years.

Other

Throughout 2000, Corning completed other acquisitions with an aggregate purchase price of approximately $67 million in cash. The excess purchase price over the fair value of net tangible assets acquired totaled $64 million and is being amortized over periods of up to 20 years. These acquisitions were not significant to the consolidated financial statements.

In December 1999, Corning completed other acquisitions with an aggregate purchase price of $17.5 million in cash. The excess purchase price over the fair value of net tangible assets acquired totaled $8.5 million and is being amortized over periods of up to 10 years. These acquisitions were not significant to the consolidated financial statements.

Pro Forma Presentation

The foregoing acquisitions have been recorded under the purchase method of accounting and, accordingly, the results of the acquired businesses are included in the consolidated financial statements since the date of acquisition. The following unaudited pro forma financial information reflects the consolidated results of operations of Corning as if the Pirelli, NetOptix and Siemens acquisitions took place at the beginning of January 1999. The effects of the other acquisitions on Corning's consolidated financial statements were not material on either an individual or an aggregate basis. The pro forma information includes adjustments for interest expense and shares outstanding that would have been incurred to finance the transactions, additional depreciation based on the fair market value of the property, plant and equipment acquired, amortization of purchased intangibles and goodwill and the elimination of minority interest related to Siemens 50% ownership of Siecor Corporation. The pro forma financial information is not necessarily indicative of the results of operations as they would have been had the transactions been effected on the assumed acquisition date.

	Year Ended December 31,	
(In millions, except per share amounts)	2000	1999
Sales	$ 7,298.8	$ 5,525.8
Net income	$ 59.5	$ (348.3)
Basic earnings per share	$ 0.02	$ (0.41)
Diluted earnings per share	$ 0.02	$ (0.41)

DIVESTITURES

On January 31, 2000, Corning sold Quanterra Incorporated to Severn Trent Laboratories for $35 million. In the first quarter of 2000, Corning recorded a nonoperating gain of $6.8 million, ($4.2 million after tax), as a result of this transaction. Concurrent with management's decision to dispose of this business, Corning recognized an impairment loss of $15.5 million ($10.0 million after tax), in the third quarter of 1999. The impairment loss reduced Corning's investment in these assets to an amount equal to management's current estimate of fair value. The results of operations of this business were not material to Corning.

During the third quarter of 1999, Corning sold Republic Wire and Cable, a manufacturer of elevator cables and a subsidiary of Siecor Corporation, for approximately $52 million in cash and short-term notes. Corning recorded a nonoperating gain of $30 million ($9.5 million after tax and minority interest), as a result of this transaction.

In the fourth quarter of 1998, Corning recorded a nonoperating gain of $19.2 million ($9.7 million after tax), related to the divestiture of several small businesses within the life sciences business.

OTHER

In June 1998, Molecular Simulations, Inc. (MSI) merged with Pharmacopeia, Inc., a publicly traded company. Corning previously owned 35% of MSI and owned approximately 15% of the combined entity at the time of the merger. Corning realized a nonoperating gain of $20.5 million ($13.2 million after tax), from this transaction.

3. INFORMATION BY OPERATING SEGMENT

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision making group, in deciding how to allocate resources and in assessing performance. Corning's chief operating decision-making group is comprised of the Chief Executive Officer and the officers who report to him directly.

Corning's reportable segments include Telecommunications, Advanced Materials and Information Display. The Telecommunications Segment produces optical fiber and cable, optical hardware and equipment, photonic modules and components and optical networking devices for the worldwide telecommunications industry. The Advanced Materials Segment manufactures specialized products with unique properties for customer applications utilizing glass, glass ceramic and polymer technologies. Businesses within this segment include environmental technologies, life sciences, semiconductor materials and optical and lighting products. The Information Display Segment manufactures glass panels and funnels for televisions and CRTs, projection video lens assemblies and liquid crystal display glass for flat panel displays.

In the first quarter of 2000, Corning changed the performance measurement of its operating segments to a new metric. Corning evaluates performance based on an after tax profit measure, which is identified as segment net income. Segment net income excludes amortization of purchased intangibles and goodwill, purchased IPRD costs, one-time acquisition costs and other nonrecurring items. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The financial results for Corning's three operating segments have been prepared on a basis which is consistent with the manner in which Corning management internally disaggregates financial information for the purposes of assisting in making internal operating decisions. In this regard, certain common expenses have been allocated among segments differently than would be required for stand alone financial information prepared in accordance with GAAP. Revenue attributed to geographic areas is based on the location of the customer. The segment results for 1999 and 1998 have been restated to conform to the new measure.

OPERATING SEGMENTS

(in millions)	Telecommunications	Advanced Materials	Information Display	Total Segments
2000				
NET SALES	$ 5,120.7	$ 1,086.0	$ 894.1	$ 7,100.8
Depreciation(1)	341.2	88.3	89.3	518.8
Research, development and engineering expenses(2)	390.4	120.3	29.2	539.9
Interest income	1.2			1.2
Interest expense(3)	69.0	18.2	19.1	106.3
Income tax expense	326.5	43.5	46.6	416.6
SEGMENT EARNINGS BEFORE MINORITY INTEREST AND EQUITY EARNINGS(4)	677.2	88.0	114.2	879.4
Minority interest in (earnings) losses of subsidiaries	3.0		(26.7)	(23.7)
Equity in earnings of associated companies	1.0	22.6	144.5	168.1
SEGMENT NET INCOME	681.2	110.6	232.0	1,023.8
Investment in associated companies, at equity	33.9	50.9	381.0	465.8
Segment assets(5)	4,078.9	910.4	1,438.5	6,427.8
Capital expenditures	942.1	122.4	366.1	1,430.6
1999				
NET SALES	$ 2,958.2	$ 1,053.9	$ 701.2	$ 4,713.3
Depreciation(1)	214.9	80.7	78.1	373.7
Research, development and engineering expenses(2)	260.8	94.5	22.9	378.2
Interest income	8.5	2.0	0.8	11.3
Interest expense(3)	58.8	22.7	11.2	92.7
Income tax expense	137.5	43.0	19.0	199.5
SEGMENT EARNINGS BEFORE MINORITY INTEREST AND EQUITY EARNINGS(4)	330.4	90.9	57.6	478.9
Minority interest in earnings of subsidiaries	(34.6)		(22.7)	(57.3)
Equity in earnings of associated companies	14.9	21.7	67.8	104.4
SEGMENT NET INCOME	310.7	112.6	102.7	526.0
Investment in associated companies, at equity	58.4	45.3	261.0	364.7
Segment assets(5)	2,303.4	878.4	990.0	4,171.8
Capital expenditures	329.2	112.9	59.5	501.6
1998				
NET SALES	$ 2,139.6	$ 1,020.1	$ 644.7	$ 3,804.4
Depreciation(1)	141.3	76.6	73.5	291.4
Research, development and engineering expenses(2)	203.7	80.0	23.7	307.4
Interest income	10.5	3.2	1.1	14.8
Interest expense(3)	39.8	16.7	10.0	66.5
Income tax expense	118.1	38.4	8.2	164.7
SEGMENT EARNINGS BEFORE MINORITY INTEREST AND EQUITY EARNINGS(4)	265.3	75.9	39.2	380.4
Minority interest in (earnings) losses of subsidiaries	(38.0)	0.3	(27.6)	(65.3)
Equity in earnings of associated companies	22.7	17.6	44.9	85.2
SEGMENT NET INCOME	250.0	93.8	56.5	400.3
Investment in associated companies, at equity	36.8	42.0	190.4	269.2
Segment assets(5)	1,846.7	834.0	915.1	3,595.8
Capital expenditures	276.8	131.0	53.0	460.8

(1) Includes an allocation of depreciation of corporate property, plant and equipment not specifically identifiable to a segment. Related depreciable assets are not allocated to segment assets.

(2) Non-direct research, development and engineering expenses are allocated based upon direct project spending for each segment.

(3) Interest expense is allocated to segments based on a percentage of segment net operating assets. Consolidated subsidiaries with independent capital structures do not receive additional allocations of interest expense.

(4) Many of Corning's administrative and staff functions are performed on a centralized basis. Where practicable, Corning charges these expenses to segments based upon the extent to which each business uses a centralized function. Other staff functions, such as corporate finance, human resources and legal are allocated to segments, primarily as a percentage of sales.

(5) Includes inventory, accounts receivable, plant, property and equipment and investments in associated equity companies.

A reconciliation of the totals reported for the operating segments to the applicable line items in the consolidated financial statements is as follows:

	2000	1999	1998
REVENUES			
Total segment net sales	$ 7,100.8	$ 4,713.3	$ 3,804.4
Non-segment net sales(1)	26.3	27.8	27.5
Interest income	104.6	11.7	15.0
Royalty and dividend income	34.6	29.7	35.0
Nonoperating gains	6.8	30.0	39.7
Total revenues	$ 7,273.1	$ 4,812.5	$ 3,921.6
NET INCOME			
Total segment net income(2)	$ 1,023.8	$ 526.0	$ 400.3
Unallocated items:			
Non-segment income(1)	12.7	20.2	39.5
Amortization of purchased intangibles including goodwill(3)	(245.0)	(27.8)	(22.2)
Acquisition-related charges(4)	(462.6)		
Provision for impairment and restructuring(5)		(1.4)	(84.6)
Interest income(6)	103.4		
Interest expense	(0.3)	(0.5)	(0.3)
Income tax(7)	8.4	(1.6)	20.0
Equity in earnings of associated companies	5.4	7.9	12.1
Impairment of equity investment	(36.3)		
Minority interest		(9.5)	3.7
Dividends on convertible preferred securities of subsidiary		(2.3)	(13.7)
Net income from continuing operations	$ 409.5	$ 511.0	$ 354.8
ASSETS			
Total segment assets	$ 6,427.8	$ 4,171.8	$ 3,595.8
Non-segment assets:			
Property, plant and equipment(8)	1,100.1	828.9	624.7
Investments(9)	139.7	139.6	108.1
Other assets(10)	7,577.5	799.7	811.1
Remaining corporate assets(11)	2,280.6	586.0	324.6
Total consolidated assets	$ 17,525.7	$ 6,526.0	$ 5,464.3

(1) Includes amounts derived from corporate investments. Non-segment income also includes nonoperating gains and losses. Includes one-time gain of $11.7 million included in equity earnings from Samsung Corning related to divestment of its interest in Samsung Corning Precision.

(2) Includes royalty, interest and dividend income.

(3) Amortization of purchased intangibles and goodwill relates primarily to the Telecommunications segment.

(4) Includes in-process research and development and relates primarily to the Telecommunications segment.

(5) The 1999 amount is the net impact of a $15.5 million impairment charge related to the Advanced Materials Segment and the release of restructuring reserves totaling $14.1 million. See Note 7 to the consolidated financial statements for further discussion of the restructuring reserve. The portion of the 1998 restructuring charge related to Telecommunications, Advanced Materials and Information Display Segments was $8.3 million, $26.9 million, and $16.3 million, respectively. The remainder pertains to corporate functions.

(6) Corporate interest income is not allocable to reportable segments.

(7) Includes tax associated with the impairment and restructuring charges, amortization of purchased intangibles and goodwill, acquisition-related charges and nonoperating gains.

(8) Represents corporate property, plant and equipment not specifically identifiable to a segment.

(9) Represents corporate investments in associated companies, both at cost and at equity.

(10) Includes non-current corporate assets, primarily goodwill and other intangibles, pension assets and deferred taxes.

(11) Includes current corporate assets, primarily cash, short-term investments and deferred taxes.

OTHER SIGNIFICANT ITEMS

	Segment Total	Reconciling Adjustments	Consolidated Total
2000			
Depreciation	$ 518.8	$ (2.6)	$ 516.2
Interest expense	106.3	0.3	106.6
Income taxes	416.6	(9.5)	407.1
Equity in earnings of associated companies[(1)]	168.1	17.1	185.2
Minority interest	(23.7)		(23.7)
Investment in associated companies, at equity	465.8	12.8	478.6
Capital expenditures	1,430.6	290.7[(2)]	1,721.3
1999			
Depreciation	$ 373.7	$ 1.8	$ 375.5
Interest expense	92.7	0.5	93.2
Income taxes	199.5	7.6	207.1
Equity in earnings of associated companies	104.4	7.9	112.3
Minority interest	(57.3)	(9.5)	(66.8)
Investment in associated companies, at equity	364.7	57.2	421.9
Capital expenditures	501.6	255.5[(2)]	757.1
1998			
Depreciation	$ 291.4	$ 1.2	$ 292.6
Interest expense	66.5	0.3	66.8
Income taxes	164.7	(15.2)	149.5
Equity in earnings of associated companies	85.2	12.1	97.3
Minority interest	(65.3)	3.7	(61.6)
Investment in associated companies, at equity	269.2	54.7	323.9
Capital expenditures	460.8	269.6[(2)]	730.4

(1) Includes nonoperating gain of $11.7 million (Corning's share) recorded by Samsung Corning upon divestment of its interest in Samsung Corning Precision.
(2) Includes capital spending on shared research facilities of $116.4 million, $134.5 million and $166.0 million in 2000, 1999 and 1998, respectively.

Information concerning principal geographic areas is as follows:

	2000		1999		1998	
	Net Sales	Non-current Assets	Net Sales	Non-current Assets[(1)]	Net Sales	Non-current Assets[(1)]
North America						
United States	$ 3,580.6	$ 7,516.2	$ 2,792.7	$ 3,427.9	$ 2,498.8	$ 3,120.4
Canada	848.5	95.0	473.0	92.9	312.0	94.5
Mexico	97.7	83.0	67.1	58.2	58.3	44.2
Total North America	4,526.8	7,694.2	3,332.8	3,579.0	2,869.1	3,259.1
Asia Pacific						
Japan	575.0	257.3	391.4	148.5	318.4	109.6
China	142.7	120.9	79.4	38.0	75.7	13.0
Korea	67.6	385.4	50.8	264.6	24.3	195.2
Other	126.8	51.7	80.1	45.7	42.8	15.1
Total Asia Pacific	912.1	815.3	601.7	496.8	461.2	332.9
Europe						
Germany	465.0	505.4	189.7	91.2	123.7	95.6
France	256.6	114.5	107.5	91.9	81.3	78.1
United Kingdom	242.8	173.3	132.8	150.4	84.2	76.0
Italy	69.3	3,488.5	53.4	3.0	1.2	0.2
Other	419.0	47.0	207.8	57.0	132.1	29.1
Total Europe	1,452.7	4,328.7	691.2	393.5	422.5	279.0
Latin America						
Brazil	59.3	19.5	44.2	20.7	32.4	10.4
Other	21.6	7.1	13.3		13.7	
Total Latin America	80.9	26.6	57.5	20.7	46.1	10.4
All Other	154.6	26.5	57.9	7.9	33.0	22.0
Total	$ 7,127.1	$12,891.3	$ 4,741.1	$ 4,497.9	$ 3,831.9	$ 3,903.4

(1) Excludes deferred taxes of $43.9 million and $85.2 million in 1999 and 1998, respectively.

4. INVESTMENTS

ASSOCIATED COMPANIES AT EQUITY

Samsung Corning Company Ltd., a 50%-owned South Korea-based manufacturer of glass panels and funnels for television and display monitors, represented $284.5 million and $220.5 million of Corning's investments accounted for by the equity method at year-end 2000 and 1999, respectively.

The financial position and results of operations of Samsung Corning and Corning's other equity companies are summarized as follows:

	2000		1999		1998	
	Samsung Corning Co. Ltd.	Total Equity Companies	Samsung Corning Co. Ltd.	Total Equity Companies	Samsung Corning Co. Ltd.	Total Equity Companies
Net sales	$ 1,010.5	$1,738.7	$ 964.6	$1,830.7	$ 884.1	$1,665.2
Gross profit	345.5	650.0	275.6	582.8	239.6	577.1
Net income	210.7	365.9	96.5	244.3	77.8	228.1
Corning's equity in net income(1)	$ 103.8	$ 185.2	$ 47.7	$ 112.3	$ 38.4	$ 97.3
Current assets	$ 410.4	$ 910.8	$ 274.5	$ 608.2	$ 362.6	$ 677.1
Non-current assets	865.6	1,284.1	1,006.9	1,334.8	1,022.7	1,324.0
Current liabilities	$ 292.7	$ 746.3	$ 282.4	$ 465.8	$ 369.7	$ 539.1
Non-current liabilities	329.9	492.4	512.7	631.7	657.3	757.3

(1) Equity in earnings shown above and in the Consolidated Statements of Income are net of amounts recorded for income tax.

Dividends received from Samsung Corning and Corning's other equity companies totaled $44.7 million, $50.9 million and $63.4 million in 2000, 1999 and 1998, respectively. At December 31, 2000, approximately $436.6 million of equity in undistributed earnings of equity companies were included in Corning's retained earnings.

Samsung Corning results include a nonoperating gain of $23.4 million from the sale of its interest in Samsung Corning Precision Glass Company Ltd. (Samsung Corning Precision). Corning's 50% share of this gain is included in its equity earnings. Corning continues to maintain a 50% interest in Samsung Corning Precision.

DOW CORNING CORPORATION

Corning is a 50% owner of Dow Corning Corporation (Dow Corning), a manufacturer of silicones. The other 50% of Dow Corning is owned by The Dow Chemical Company (Dow Chemical).

On May 15, 1995, Dow Corning voluntarily filed for protection under Chapter 11 of the United States Bankruptcy Code as a result of several negative developments related to the breast implant litigation. At that time, Corning management believed it was impossible to predict if and when Dow Corning would successfully emerge from Chapter 11 proceedings. As a result, Corning recorded an after-tax charge of $365.5 million to fully reserve its investment in Dow Corning and discontinued recognition of equity earnings from Dow Corning in 1995.The bankruptcy proceeding is pending in the United States Bankruptcy Court for the Eastern District of Michigan, Northern Division (Bay City, Michigan). The bankruptcy filing stayed the prosecution against Dow Corning of approximately 19,000 breast implant product liability lawsuits, including 45 class actions. In the period from December 1996 through February 1998, Dow Corning filed a plan of reorganization and two amended plans, each of which was opposed by creditor representatives. In 1998, Dow Corning and the Tort Claimants Committee engaged in extended negotiations and reached certain compromises. On November 8, 1998, Dow Corning and the Tort Claimants Committee jointly filed a revised Plan of Reorganization (Joint Plan). The Joint Plan and related disclosure materials were mailed to claimants for their approval. Following a favorable vote from all but four classes of creditors, a hearing to confirm the Joint Plan was held in mid 1999.

On November 30, 1999, the Bankruptcy Court entered an order confirming the Joint Plan and indicated that certain written opinions would follow. On December 21, 1999, the Bankruptcy Court issued an opinion that approved the principal elements of the Joint Plan with respect to tort claimants, but construed the Joint Plan as providing releases for third parties (including Corning and Dow Chemical as shareholders) only with respect to tort claimants who voted in favor of the Joint Plan. A number of parties opposing the Joint Plan filed appeals on a variety of grounds to the United States District Court for the Eastern District of Michigan. Dow Corning and the Committee of Tort Claimants filed a notice of appeal seeking review of the ruling limiting the scope of the shareholder releases. Corning and Dow Chemical filed separate notices of appeal on this issue. On November 13, 2000, the District Court entered an Order affirming the Bankruptcy Court's November 30, 1999 Order confirming the Joint Amended Plan and reversing the Bankruptcy Court's December 21, 1999 Opinion on the release and injunction provisions. One group of plaintiffs filed a motion for reconsideration in the District Court and the District Court entered a February 5, 2001 Opinion Denying Motion for Reconsideration, confirming that the Litigation Facility under the Joint Plan is the defendant in place of Dow Corning, Corning and Dow Chemical, and that Corning and Dow Chemical are not named defendants for direct claims. Approximately 20 appeals were filed from the District Court's Order and are pending in the Sixth Circuit Court of Appeals, which is expected to rule in the second half of 2001. After all appeals are exhausted, if the Joint Plan is upheld but the shareholder releases are effective only for those voting in favor of the Joint Plan, Corning would expect to defend any remaining claims against it on the same grounds that led to a series of orders and judgments dismissing all claims against Corning in the federal courts and the state courts. With respect to the possibility of additional direct or indirect claims against Corning if the full releases are not reinstated in the Joint Plan, management believes that such claims lack merit and that the breast implant litigation against Corning will be resolved without material impact on Corning's financial statements.

Under the terms of the Joint Plan, Dow Corning would be required to establish a Settlement Trust and a Litigation Facility to provide a means for tort claimants to settle or litigate their claims. Dow Corning would have the obligation to fund the Trust and the Facility, over a period of up to 16 years, in an amount up to approximately $3.2 billion (nominal value), subject to the limitations, terms and conditions stated in the Joint Plan. Dow Corning proposes to provide the required funding over the 16 year period through a combination of cash, proceeds from insurance and cash flow from operations. Corning and Dow Chemical have each agreed to provide a credit facility to Dow Corning of up to $150 million ($300 million in the aggregate), subject to the terms and conditions stated in the Joint Plan. The Joint Plan also provides for Dow Corning to make full payment, through cash and the issuance of senior notes, to its commercial creditors. If and when Dow Corning emerges from bankruptcy, Corning will likely begin to recognize equity earnings from Dow Corning. Corning does not expect to receive dividends from Dow Corning in the foreseeable future.

The financial position and results of operations of Dow Corning are summarized in the table below (amounts in millions):

	2000	1999	1998
Net sales	$ 2,750.9	$ 2,603.3	$ 2,568.0
Gross profit	814.2	772.2	826.7
Net income (loss)	104.6	109.7	(595.0)
Current assets	$ 1,793.8	$ 1,601.7	$ 1,555.6
Non-current assets	4,676.9	4,625.4	4,610.7
Current liabilities	$ 947.3	$ 769.9	$ 729.2
Non-current liabilities	348.9	366.5	391.2
Liabilities subject to compromise[1]	4,618.3	4,592.3	4,609.6
Shareholders' equity	556.2	498.4	436.3

(1) Dow Corning's financial statements for 2000, 1999 and 1998 have been prepared in conformity with the American Institute of Certified Public Accountants' Statement of Position 90-7, "Financial Reporting by Entities in Reorganization under the Bankruptcy Code," (SOP 90-7). SOP 90-7 requires a segregation of liabilities subject to compromise by the Bankruptcy Court as of the filing date (May 15, 1995) and identification of all transactions and events that are directly associated with the reorganization.

Dow Corning's 1998 results reflect the impact of a pre-tax charge of approximately $1.1 billion, representing Dow Corning's best estimate of the anticipated financial consequences to be incurred in resolving all claims arising from the Chapter 11 proceedings and from the breast implant controversy.

Dow Corning's 1998 results have also been impacted by the suspension of interest payments and reorganization costs resulting from the Chapter 11 proceedings.

PITTSBURGH CORNING CORPORATION

Corning and PPG Industries, Inc. each own 50% of the capital stock of Pittsburgh Corning Corporation (PCC). PCC and several other defendants have been named in numerous lawsuits involving claims alleging personal injury from exposure to asbestos. As of the bankruptcy filing on April 16, 2000, PCC had in excess of 240,000 open claims. In the first quarter of 2000, after incurring adverse verdicts in five trials involving 19 claimants, PCC filed for Chapter 11 reorganization in the United States Bankruptcy Court for the Western District of Pennsylvania. At the time of its Chapter 11 filing, PCC sought and obtained a temporary restraining order and filed a motion for a preliminary injunction against the prosecution of asbestos actions against its two shareholders. The preliminary injunction has been extended by stipulation of the parties and by court order to May 21, 2001 to enable the parties to negotiate a plan of reorganization for PCC. Upon expiration of the injunction on or after May 21, 2001, PCC, PPG Industries and Corning will have 90 days to seek removal and transfer of stayed cases that have not been resolved through a plan of reorganization. As a result of PCC's bankruptcy filing, Corning recorded an after tax charge of $36.3 million in the first quarter to impair its entire investment in PCC and discontinued recognition of equity earnings. At the time PCC filed for bankruptcy protection, there were approximately 12,400 claims pending against Corning alleging various theories of liability based on exposure to PCC's asbestos products, all of which are stayed pursuant to the injunction of the bankruptcy court. Before PCC filed for bankruptcy protection, Corning was dismissed from similar claims as cases against PCC proceeded to trial. The Chapter 11 filing may lead to additional claims against Corning with related costs of defense, charges and expenses. Although the outcome of litigation and the bankruptcy case is uncertain, management believes that the separate corporate status of PCC will continue to be upheld. Management is continuing to investigate Corning's options for defending claims against it, which might include vigorously defending itself on all fronts or exploring a global settlement through the bankruptcy process. The range of cost for these options (net of insurance) cannot be estimated at this time, although management believes these matters will be resolved without a materially adverse impact on Corning's financial position.

OTHER INVESTMENTS

Corning's other investments include equity securities, which are classified as available-for-sale. At December 31, 2000, the fair value and cost of Corning's equity securities was $156.2 million and $89.5 million, respectively. The difference includes gross unrealized gains of $67.3 million and gross unrealized losses of $0.1 million. At December 31, 1999, the fair value and cost of Corning's equity securities was $82.5 million and $51.4 million, respectively. The difference includes gross unrealized gains of $32.8 million and gross unrealized losses of $1.7 million. The net change in the unrealized gain/(loss) on marketable securities classified as available-for-sale included as a component of accumulated other comprehensive income was $36.1 million and $31.0 million for the years ended December 31, 2000 and 1999, respectively.

Proceeds from sales of marketable securities were $16.3 million and $0.8 million in 2000 and 1999, respectively, and related net realized gains included in income were $26.5 million and $5.6 million in 2000 and 1999, respectively.

5. EMPLOYEE RETIREMENT PLANS

Corning has defined benefit pension plans covering certain domestic and international employees. Corning's funding policy has been to contribute as necessary an amount determined jointly by Corning and its consulting actuaries, which provides for the current cost and amortization of prior service cost. In 2000, Corning amended its US pension plan to include a cash balance pension feature. All salaried and non-union hourly employees hired before July 1, 2000 were given the choice of staying in the existing plan or participating in the cash balance plan beginning January 1, 2001. Salaried employees hired after July 1, 2000 automatically became participants in the new cash balance plan. Under the cash balance plan, employee accounts are credited monthly with a percentage of eligible pay based on age and years of service. Benefits remain 100% vested after five years of service.

Corning and certain of its domestic subsidiaries also offer defined benefit postretirement plans that provide health care and life insurance benefits for retirees and eligible dependents. Certain employees may become eligible for such postretirement benefits upon reaching retirement age. Corning's principal retiree medical plans require retiree contributions each year equal to the excess of medical cost increases over general inflation rates.

The change in benefit obligation and funded status of Corning's employee retirement plans are as follows:

	Pension Benefits		Postretirement Benefits	
	2000	1999	2000	1999
CHANGE IN BENEFIT OBLIGATION (in millions)				
Benefit obligation at beginning of year	$ (1,431.1)	$ (1,561.1)	$ (592.3)	$ (632.3)
Benefit obligation of acquired businesses	(58.0)			
Service cost	(31.8)	(26.9)	(10.3)	(11.6)
Interest cost	(117.4)	(95.5)	(40.5)	(39.8)
Plan participants' contribution	(4.0)	(2.5)	(2.2)	(1.7)
Amendments	7.5	(61.5)	1.0	(0.9)
Settlements	(7.1)			
Gain/(loss) from changes in actuarial assumptions	(95.8)	157.4	53.4	58.0
Experience gain/(loss)		42.3		1.3
Benefits paid	127.3	116.7	34.9	34.7
Benefit obligation at end of year	$ (1,610.4)	$ (1,431.1)	$ (556.0)	$ (592.3)
CHANGE IN PLAN ASSETS				
Fair value of plan assets at beginning of year	$ 1,718.4	$ 1,537.3		
Fair value of plan assets from acquired businesses	15.8			
Actual return on plan assets	227.8	258.6		
Employer contribution	35.3	36.7		
Plan participants' contributions	2.5	2.5		
Benefits paid	(127.3)	(116.7)		
Fair value of plan assets at end of year	$ 1,872.5	$ 1,718.4		
Funded status	$ 262.1	$ 287.3	$ (556.0)	$ (592.3)
Unrecognized transition amount	(2.1)	(2.2)		
Unrecognized prior service cost	126.0	149.2	(3.1)	(3.4)
Unrecognized net (gains)/losses from changes in actuarial assumptions	(311.3)	(331.4)	(67.2)	(17.4)
Recognized asset (liability)	$ 74.7	$ 102.9	$ (626.3)	$ (613.1)
Less current portion			38.0	39.1
Accrued postretirement benefit liability			$ (588.3)	$ (574.0)

Defined benefit pension plan assets are comprised principally of publicly traded debt and equity securities. Corning common stock represented 1.7% and 4.1% of plan assets at year-end 2000 and 1999, respectively. Corning has not funded its postretirement benefit obligations.

The weighted-average assumptions for Corning's employee retirement plans are as follows:

	Pension Benefits		Postretirement Benefits	
	2000	1999	2000	1999
Discount rate	7.75%	7.75%	7.75%	7.75%
Expected return on plan assets	9.0%	9.0%		
Rate of compensation increase	4.5%	4.5%		

Corning's consolidated postretirement benefit obligation is determined by application of the terms of health care and life insurance plans, together with relevant actuarial assumptions and health care cost trend rates. The health care cost trend rate for Corning's principal plan is assumed to be 7.08% in 2000 decreasing gradually to 5.0% in 2010 and thereafter.

Assumed health care trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in 2000 assumed health care trend rates would have the following effects:

	1-Percentage-Point	
	Increase	Decrease
Effect on total of service and interest cost components	$ 4.1	$ (3.6)
Effect on postretirement benefit obligation	38.9	(33.6)

The components of net periodic benefit cost for Corning's employee retirement plans are as follows:

	Pension Benefits			Postretirement Benefits		
	2000	1999	1998	2000	1999	1998
Service cost	$ 31.8	$ 26.9	$ 22.6	$ 10.3	$ 11.6	$ 9.6
Interest cost	117.4	95.5	97.8	40.5	39.8	40.2
Expected return on plan assets	(148.5)	(132.8)	(121.9)			
Amortization of transition asset	(0.7)	(0.6)	(0.6)		0.2	
Amortization of net loss (gain)	(1.2)	13.5	13.1	(1.6)		
Amortization of prior service cost	16.3	2.2	1.8	(0.9)	(0.9)	(1.1)
Net periodic benefit cost	15.1	4.7	12.8	48.3	50.7	48.7
Recognition of curtailment and settlement	11.5	5.4	14.2 [1]			
Recognition of special termination benefits			7.5			0.5
Total cost	$ 26.6	$ 10.1	$ 34.5	$ 48.3	$ 50.7	$ 49.2

[1] Included in the gain on sale of the consumer housewares business, which is recorded in income from discontinued operations.

Measurement of postretirement benefit expense is based on assumptions used to value the postretirement benefit obligation at the beginning of the year. In addition to defined benefit retirement plans, Corning offers defined contribution plans covering employees meeting certain eligibility requirements. Total consolidated defined contribution expense was $80.9 million in 2000, $50.0 million in 1999 and $39.5 million in 1998.

6. TAXES ON INCOME

(in millions)	2000	1999	1998
Income from continuing operations before taxes on income:			
U.S. companies	$ 762.7	$ 526.7	$ 378.5
Non-U.S. companies	(71.3)	148.2	103.8
Income before taxes on income	$ 691.4	$ 674.9	$ 482.3
Taxes on income from continuing operations	$ 407.1	$ 207.1	$ 149.5
Effective tax rate reconciliation:			
Statutory U.S. tax rate	35.0%	35.0%	35.0%
State taxes, net of federal benefit	3.9	0.8	0.8
Acquisition-related costs[1]	27.1		
Foreign and other tax credits		(0.4)	(0.8)
Lower taxes on subsidiary earnings	(7.4)	(2.4)	(5.7)
Other	0.3	(2.3)	1.7
Effective tax rate	58.9%	30.7%	31.0%
Current and deferred tax expense (benefit) from continuing operations:			
Current:			
U.S.	$ 306.2	$ 92.9	$ 96.4
State and municipal	66.4	3.4	10.6
Foreign	82.9	68.0	40.5
Deferred:			
U.S.	(37.0)	40.0	3.7
State and municipal	(17.4)	5.4	(0.9)
Foreign	6.0	(2.6)	(0.8)
Taxes on income from continuing operations	$ 407.1	$ 207.1	$ 149.5

(1) Includes non-tax deductible in-process research and development, non-tax deductible amortization of purchased intangibles and goodwill and other merger-related expenses.

The tax effects of temporary differences and carryforwards that gave rise to significant portions of the deferred tax assets and liabilities as of year end are comprised of the following:

	2000	1999
Postretirement medical and life benefits	$ 234.8	$ 240.9
Other employee benefits	33.0	59.2
Other accrued liabilities	49.3	29.8
Restructuring reserves	3.0	3.3
Loss and tax credit carryforwards	114.0	83.9
Other	57.7	37.4
Gross deferred tax assets	491.8	454.5
Deferred tax assets valuation allowance	(44.7)	(50.3)
Deferred tax assets	447.1	404.2
Fixed assets	(255.5)	(176.5)
Pensions	(41.6)	(41.0)
Other	(37.9)	(29.0)
Deferred tax liabilities	(335.0)	(246.5)
Net deferred tax assets	$ 112.1	$ 157.7

The change in the total valuation allowance for the years ended December 31, 2000 and 1999, was a decrease of $5.6 million and an increase of $16.5 million, respectively.

Corning currently provides income taxes on the earnings of foreign subsidiaries and associated companies to the extent such earnings are currently taxable or expected to be remitted. Taxes have not been provided on $777.1 million of accumulated foreign unremitted earnings which are expected to remain invested indefinitely. It is not practicable to estimate the amount of additional tax that might be payable on the foreign earnings; however, if these earnings were remitted, income taxes payable would be provided at a rate which is significantly lower than the effective tax rate.

Corning, as required, provided for tax on undistributed earnings of its domestic subsidiaries and affiliated companies beginning in 1993 even though these earnings have been and will continue to be reinvested indefinitely. Corning estimates that $32.1 million of tax would be payable on pre-1993 undistributed earnings of its domestic subsidiaries and affiliated companies should the unremitted earnings reverse and become taxable to Corning. Corning expects these earnings to be reinvested indefinitely.

Deferred income tax benefits totaling $172.6 million and $113.5 million were included in other current assets at year-end 2000 and 1999, respectively. At December 31, 2000, Corning had tax benefits attributable to loss carryforwards and credits aggregating $114.0 million that expire at various dates through 2014.

7. PROVISION FOR RESTRUCTURING

In the second quarter of 1998, Corning recorded a restructuring charge of $84.6 million ($49.2 million after tax and minority interest). The charge was comprised of early retirement incentives offered to certain salaried non-union employees 55 years old or older satisfying service criteria and severance costs associated with workforce reductions of other non-union employees. The restructuring charge related to approximately 650 employees, all of whom were terminated as of June 30, 1999. Corning determined in the fourth quarter of 1999 that the total costs of the incentive package would be less than anticipated. Consequently, Corning released restructuring reserves totaling $14.1 million ($8.6 million after tax), in the fourth quarter of 1999. All payments associated with this program have been made at December 31, 2000. Management estimates that the annualized cost savings related to this program is approximately $30 million per year after taxes.

8. OTHER ACCRUED LIABILITIES

Other accrued liabilities at December 31, included the following:

(in millions)	2000	1999
Taxes on income	$ 185.8	$ 115.0
Restructuring reserves		7.8
Wages and employee benefits	300.7	224.5
Dividends payable to minority shareholders		95.0
Other liabilities	479.1	273.0
Other accrued liabilities	$ 965.6	$ 715.3

9. LONG-TERM DEBT AND LOANS PAYABLE

(in millions)	2000	1999
LOANS PAYABLE		
Current portion of long-term debt	$ 128.4	$ 45.6
Other short-term borrowings		375.1
	$ 128.4	$ 420.7
LONG-TERM DEBT		
Series B senior notes, 8.25%, due 2002	$ 14.4	$ 21.5
Debentures, 8.25%, due 2002	75.0	75.0
Debentures, 6%, due 2003	99.8	99.8
Euro notes, 5.625%, due 2005	180.5	
Debentures, 7%, due 2007, net of unamortized discount of $32.3 million in 2000 and $34.6 million in 1999	67.7	65.4
Notes, 6.73%, due 2008		32.8
Convertible notes, 4.875%, due 2008	99.5	100.0
Notes, 6.83%, due 2009		27.2
Notes, 6.3%, due 2009	150.0	150.0
Euro notes, 6.25%, due 2010	270.0	
Debentures, 6.75%, due 2013	99.6	99.6
Zero coupon convertible debentures, 2%, due 2015	2,018.3	
Debentures, 8.875%, due 2016	74.5	74.5
Debentures, 8.875%, due 2021	74.9	74.9
Debentures, 7.625%, putable in 2004, due 2024	99.8	99.7
Medium-term notes, average rate 7.8%, due through 2025	254.0	265.0
Debentures, 6.85%, due 2029	149.7	149.7
Other, average rate 6.5%, due through 2016	367.1	200.9
	4,094.8	1,536.0
Less current maturities	128.4	45.6
	$ 3,966.4	$ 1,490.4

At December 31, 2000 and 1999, the weighted-average interest rate on short-term borrowings was 6.1%.

The following table shows the maturities by year of the total long-term debt obligations at December 31:

2002	2003	2004	2005	2006-2029
$ 181.9	$ 269.7	$ 19.5	$ 185.6	$ 3,309.7

Based on borrowing rates currently available to Corning for loans with similar terms and maturities, the fair value of long-term debt was $3.8 billion at year-end 2000.

In February 1998, Oak issued $100 million of convertible subordinated notes bearing interest at 4.875% due in 2008. The notes are convertible into 6.3 million shares of Corning common stock at a conversion price of approximately $16 per share.

In January 2000, Corning called and retired two long-term note issues of Siecor Corporation, 6.73% due 2008 and 6.83% due 2009, in the aggregate principal amount of $60.0 million. In January 2000, Corning repaid all outstanding indebtedness under Oak's revolving credit facility, which approximated $98 million, and terminated the remaining revolving credit commitment of $250 million with Oak's existing bank group.

In February 2000, Corning issued EUR 500 million of Euro-denominated notes in two tranches: EUR 200 million at 5.625% due February 18, 2005 and EUR 300 million at 6.25% due February 18, 2010. Interest is payable on February 1 of each year beginning in 2001. The notes are not redeemable before they mature, unless Corning becomes obligated to pay additional amounts because of changes in U.S. withholding tax requirements. The net proceeds of approximately $485 million were used to finance a portion of the Siemens transaction.

Corning has available a revolving line of credit with a syndicate of banks for $2.0 billion. The line of credit expires in August 2005, unless extended. There were no borrowings under the agreement at December 31, 2000. The revolving credit agreements provide for borrowing of U.S. dollars and Eurocurrency at various rates.

In November 2000, Corning completed an offering of $2.7 billion (amount due at maturity) of zero coupon convertible debentures which generated net proceeds of approximately $2 billion. The initial price of the debentures was $741.92 with a 2% yield annually. Interest is compounded semi-annually with a 25% conversion factor. The debentures mature on November 8, 2015, and are convertible into approximately 22.6 million shares of Corning common stock at the rate of 8.3304 per $1,000 principal amount. Corning may call the debentures at any time on or after November 8, 2005. The debentures may be redeemed for $819.54 on November 8, 2005 and $905.29 on November 8, 2010. The holder can convert the debenture into Corning common stock at any time prior to maturity or redemption. The proceeds were used to finance a portion of the Pirelli acquisition. Deferred financing costs totaled approximately $40.9 million and are being amortized ratably over the term of the debentures.

10. MANDATORILY REDEEMABLE CONVERTIBLE PREFERRED STOCK

Corning has 10 million authorized shares of Series Preferred Stock, par value $100 per share. Of the authorized shares, Corning has designated 2.4 million shares as Series A Junior Participating Preferred Stock for which no shares have been issued.

At December 31, 2000, 1999 and 1998, 86,800, 134,700 and 178,700 shares of Series B Convertible Preferred Stock were outstanding, respectively. Each Series B share is convertible into 14.37 shares of Corning common stock and has voting rights equivalent to 14 common shares. The Series B shares were sold exclusively to the trustee of Corning's existing employee investment plans, based upon directions from plan participants. Participants may cause Corning to redeem the shares at 100% of par upon reaching age 55 or later, retirement, termination of employment or in certain cases of financial hardship. The Series B shares are redeemable by Corning at $100 per share.

On January 31, 2000, Corning completed an equity offering of 44.85 million shares of common stock generating net proceeds to Corning of approximately $2.2 billion. On November 6, 2000, Corning completed an equity offering of 34.5 million shares of common stock generating net proceeds to Corning of approximately $2.4 billion.

On April 27, 2000, the shareholders of Corning approved an increase to the authorized number of shares of common stock from 500 million to 1.2 billion shares and on November 8, 2000, the shareholders of Corning approved an increase to the authorized number of shares of common stock from 1.2 billion to 3.8 billion shares. In August 2000, Corning authorized a three-for-one stock split of its common stock, effected in the form of a stock dividend, which was distributed on October 3, 2000, to shareholders of record on September 5, 2000. All of the share and per share data in these financial statements and footnotes have been retroactively adjusted to reflect the stock split.

Corning has established the Corning Stock Ownership Trust (CSOT) to fund a portion of future employee purchases and company contributions of common stock to its Corning's Investment and Employee Stock Purchase Plans (the Plans). Corning sold 12 million treasury shares to the CSOT. At December 31, 2000, 4.5 million shares remained in the CSOT. Shares held by the CSOT are not considered outstanding for earnings per common share calculations until released to the Plans.

Corning repurchased approximately 4.2 million and 6.0 million shares of its common stock in 1999 and 1998, respectively. No shares of common stock were repurchased in 2000.

In June 1996, the Board of Directors approved the renewal of the Preferred Share Purchase Right Plan which entitles shareholders to purchase 0.01 of a share of Series A Junior Participating Preferred Stock upon the occurrence of certain events. In addition, the rights entitle shareholders to purchase shares of common stock at a 50 percent discount in the event a person or group acquires 20 percent or more of Corning's outstanding common stock. The preferred share purchase rights became effective July 15, 1996 and expire July 15, 2006.

Components of other comprehensive income (loss) accumulated in shareholders' equity are as follows (in millions):

	Foreign currency translation adjustment	Unrealized gains (losses) on marketable securities	Accumulated other comprehensive income (loss)
DECEMBER 31, 1997	$ (34.1)	$ 0.2	$ (33.9)
Foreign currency translation adjustment	38.3		38.3
Unrealized loss on marketable securities (net of tax of $0.6 million)		(1.0)	(1.0)
Realized gains on securities		(0.2)	(0.2)
DECEMBER 31, 1998	$ 4.2	$ (1.0)	$ 3.2
Foreign currency translation adjustment	(53.8)		(53.8)
Unrealized gain on marketable securities (net of tax of $14.9 million)		23.2	23.2
Realized gains on securities (net of tax of $2.1 million)		(3.2)	(3.2)
DECEMBER 31, 1999	$ (49.6)	$ 19.0	$ (30.6)
Foreign currency translation adjustment	(118.3)		(118.3)
Unrealized gain on marketable securities (net of tax of $20.8 million)		32.6	32.6
Realized gains on securities (net of tax of $6.7 million)		(10.6)	(10.6)
DECEMBER 31, 2000	$ (167.9)	$ 41.0	$ (126.9)

Basic earnings per share is computed by dividing income available to common shareholders (the numerator) by the weighted-average number of common shares outstanding (the denominator) for the period. Diluted earnings per share assumes that any dilutive convertible preferred shares, subordinated notes and convertible zero coupon debentures outstanding at the beginning of the year were converted at those dates, with related preferred stock dividend requirements and outstanding common shares adjusted accordingly. It also assumes that outstanding common shares were increased by shares issuable upon exercise of those stock options for which market price exceeds the exercise price, less shares which could have been purchased by Corning with the related proceeds.

A reconciliation of the basic and diluted earnings per share from continuing operations computations for 2000, 1999 and 1998 are as follows:

	For the years ended December 31,								
	2000			1999			1998		
	Income	Weighted-Average Shares (in millions)	Per Share Amount	Income	Weighted-Average Shares (in millions)	Per Share Amount	Income	Weighted-Average Shares (in millions)	Per Share Amount
Net income from continuing operations	$ 409.5			$ 511.0			$ 354.8		
Less: Preferred stock dividends	(0.8)			(1.2)			(1.5)		
BASIC EARNINGS PER SHARE	408.7	858.4	$ 0.48	509.8	765.3	$ 0.67	353.3	733.2	$ 0.48
EFFECT OF DILUTIVE SECURITIES									
Options		20.6			15.6			9.9	
Contingent shares from acquisitions		0.3							
Convertible preferred securities of subsidiary				2.3	5.7		13.7	34.5	
Convertible subordinated notes				3.4	6.3				
Manditoraly redeemable convertible preferred stock				1.2	2.1				
DILUTED EARNINGS PER SHARE	$ 408.7	879.3	$ 0.46	$ 516.7	795.0	$ 0.65	$ 367.0	777.6	$ 0.47

At December 31, 2000, the convertible shares from the preferred stock, the subordinated notes and the zero coupon convertible debentures were not included in the calculation of diluted earnings per share due to the anti-dilutive effect they would have had on earnings per share if converted. Also, the 2000 computation of diluted earnings per share excluded 23.7 million options since the option exercise price was greater than the average market price of the common shares for the period.

During the first quarter of 1999, the Convertible Monthly Income Preferred Securities (MIPS) were redeemed and converted into 34.5 million shares of Corning common stock. The MIPS dividends paid prior to the date of the conversion are reflected within the dilutive earnings per share calculation for 1999.

At December 31, 1998, 178,700 shares of Series B Convertible Preferred Stock were outstanding. Each Series B share is convertible into 14.37 shares of Corning common stock. In addition, the convertible subordinated notes were also outstanding. These notes were convertible into 5.4 million weighted-average shares of Corning common stock. The convertible shares from the preferred stock and the subordinated notes were not included in the calculation of diluted earnings per share in 1998 due to the anti-dilutive effect they would have had on earnings per share if converted.

At December 31, 2000, Corning's stock compensation programs are in accordance with the 2000 Employee Equity Participation Program and 2000 Equity Plan for Non-Employee Directors Program (Programs). For calendar years beginning January 1, 2001, 3.5% of Corning's Common Stock Outstanding at the beginning of the year and any ungranted shares from prior years will be available for grant in the current year. At December 31, 2000, 41.9 million shares will be available under the Programs for 2001. Any remaining shares available for grant but not yet granted will be carried over and used in the following year.

STOCK OPTION PLANS

Corning stock option plans provide non-qualified and incentive stock options to purchase unissued or treasury shares at the market price on the grant date and generally become exercisable in installments from one to five years from the grant date. The maximum term of non-qualified and incentive stock options is 10 years from the grant date.

Option activity for the three years ended December 31, 2000 was:

	Number of Shares (in thousands)	Weighted-Average Exercise Price
Options outstanding January 1, 1998	36,747	$ 8.99
Options granted under Plans	11,259	11.17
Options exercised	(3,450)	6.79
Options terminated	(738)	10.24
Options outstanding January 1, 1999	43,818	$ 9.70
Options granted under Plans	7,623	21.66
Options exercised	(15,234)	8.77
Options terminated	(918)	12.00
Options outstanding January 1, 2000	35,289	$ 12.63
Options granted under Plans	23,549	66.27
Options issued in Acquisitions	4,456	26.55
Options exercised	(17,297)	10.62
Options terminated	(994)	42.78
Options outstanding December 31, 2000	45,003	$ 42.27

The number of options exercisable and the corresponding weighted-average exercise price was 12.0 million and $11.32 at December 31, 2000, 14.1 million and $10.36 at December 31, 1999 and 21.3 million and $8.95 at December 31, 1998. The weighted-average fair value of options granted was $38.46 in 2000, $8.29 in 1999 and $4.11 in 1998.

The following table summarizes information about stock options outstanding at December 31, 2000:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding at December 31, 2000 (in thousands)	Remaining Contractual Life in Years	Weighted-Average Exercise Price	Number Exercisable at December 31, 2000 (in thousands)	Weighted-Average Exercise Price
$ 0.16 to 8.70	4,472	5.1	$ 7.68	4,122	$ 7.91
$ 8.84 to 8.96	349	4.3	$ 8.85	349	$ 8.85
$ 9.38 to 9.49	5,179	7.7	$ 9.38	1,902	$ 9.38
$ 9.54 to 13.50	3,402	5.7	$ 11.56	3,059	$ 11.35
$ 13.52 to 31.78	3,848	7.9	$ 17.76	2,306	$ 16.36
$ 31.83 to 41.95	3,794	9.0	$ 33.75	229	$ 36.89
$ 48.33 to 55.08	5,833	9.8	$ 53.97	12	$ 53.64
$ 55.48 to 69.56	4,698	9.3	$ 61.80	10	$ 62.91
$ 70.08 to 70.75	5,675	9.9	$ 70.75		
$ 71.04 to 72.38	6,987	9.4	$ 72.11		
$ 72.99 to 111.00	766	9.6	$ 91.46		
	45,003	8.4	$ 42.27	11,989	$ 11.32

INCENTIVE STOCK PLANS

The Corning Incentive Stock Plan permits stock grants, either determined by specific performance goals or issued directly, in most instances, subject to the possibility of forfeiture and without cash consideration.

In 2000, 1999 and 1998, grants of 1,429,000 shares, 1,236,000 shares and 2,094,000 shares, respectively, were made under this plan. The weighted-average price of the grants was $61.07 in 2000, $21.87 in 1999 and $11.17 in 1998, respectively. A total of 7.1 million shares issued remain subject to forfeiture at December 31, 2000.

In October 1995, the Financial Accounting Standards Board issued Statement No. 123, "Accounting for Stock-Based Compensation" (FAS 123). This statement defines a fair value-based method of accounting for employee stock options and similar equity investments and encourages adoption of that method of accounting for employee stock compensation plans. However, it also allows entities to continue to measure compensation cost for employee stock compensation plans using the intrinsic value-based method of accounting prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB 25). Corning applies APB 25 accounting for its stock-based compensation plans. Compensation expense is recorded for awards of shares or share rights over the period earned. Compensation expense of $31.0 million, $7.2 million and $5.4 million was recorded in 2000, 1999 and 1998, respectively.

WORLDWIDE EMPLOYEE SHARE PURCHASE PLAN

In addition to the Stock Option Plan and Incentive Stock Plans, Corning has a Worldwide Employee Share Purchase Plan (WESPP). Under the WESPP, substantially all employees can elect to have up to 10% of their annual wages withheld to purchase Corning common stock. The purchase price of the stock is 85% of the lower of the beginning-of-quarter or end-of-quarter market price. The Corning Stock Ownership Trust is utilized to fund a portion of employee purchases of common stock under the WESPP.

PRO FORMA IMPACT OF FAS 123

Corning has adopted the disclosure-only provisions of FAS 123. If Corning had elected to recognize compensation expense under FAS 123, Corning's net income in 2000, 1999 and 1998 would have decreased by $113.8 million, $28.7 million and $19.0 million, respectively. Corning's diluted earnings per share amounts in 2000, 1999 and 1998 would have decreased by $0.13, $0.04 and $0.02 respectively.

FAS 123 requires that reload options be treated as separate grants from the related original option grants. Under Corning's reload program, upon exercise of an option, employees may tender unrestricted shares owned at the time of exercise to pay the exercise price and related tax withholding, and receive a reload option covering the same number of shares tendered for such purposes at the market price on the date of exercise. The reload options vest in one year and are only granted in certain circumstances according to the original terms of the option being exercised. The existence of the reload feature results in a greater number of options being measured.

For purposes of FAS 123 the fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model. The following are weighted-average assumptions used for grants under Corning stock plans and predecessor Oak plans in 2000, 1999 and 1998, respectively:

For Options	Corning Option Plan	Corning Incorporated		Oak	
Granted During	2000	1999	1998	1999	1998
Risk Free Interest Rate	5.8%	5.7%	4.4%	5.7%	4.9%
Dividend Yield	0.36%	0.40%	0.57%		
Expected Volatility	65%	33%	29%	49%	45%

14. COMMITMENTS, CONTINGENCIES, GUARANTEES AND HEDGING ACTIVITIES

COMMITMENTS AND GUARANTEES

Minimum rental commitments under leases outstanding at December 31, 2000 are (in millions):

2001	2002	2003	2004	2005	2006-2021
$ 55.4	$ 50.1	$ 45.7	$ 41.2	$ 38.5	$ 188.9

Total rental expense amounted to approximately $72.1 million for 2000, $64.1 for 1999 and $58.3 million for 1998.

At December 31, 2000, future minimum lease payments to be received under a noncancelable sublease to Quest Diagnostics totaled $53.5 million. Quest Diagnostics, in turn, has a noncancelable sublease covering approximately $35.7 million of the minimum lease payments due to Corning. Corning has agreed to indemnify Quest Diagnostics should Quest Diagnostics' sublessee default on the minimum lease payments. Additionally, Corning continues to guarantee certain obligations of Quest Diagnostics totaling $14.1 million.

In January 1998, Corning completed a sale leaseback transaction related to certain equipment assets that resulted in gross proceeds of approximately $95 million. During 2000 Corning elected to repurchase the assets for approximately $95 million.

The ability of certain subsidiaries and associated companies to transfer funds is limited by provisions of certain loan agreements and foreign government regulations. At December 31, 2000, the amount of equity subject to such restrictions for consolidated subsidiaries totaled $55.1 million. While this amount is legally restricted, it does not result in operational difficulties since Corning has generally permitted subsidiaries to retain a majority of equity to support their growth programs. At December 31, 2000, loans of equity affiliates guaranteed by Corning totaled $37.4 million. In addition, Corning and certain of its subsidiaries have provided other financial guarantees and contingent liabilities in the form of loan guarantees, stand-by letters of credit and performance bonds. The amounts of these obligations are represented in the following table. Corning believes that all of the guarantees and almost all of the other contingent liabilities will expire without being funded (in millions):

Loan Guarantees	$ 103
Stand-by Letters of Credit	45
Performance Bonds	317
Total	$ 465

HEDGING ACTIVITIES

Corning operates and conducts business in many foreign countries. As a result, there is exposure to potentially adverse movement in foreign currency rate changes. Corning enters into foreign exchange forward and option contracts with durations generally 12 months or less to reduce its exposure to exchange rate risk on foreign source income and purchases. The objective of these contracts is to neutralize the impact of foreign currency exchange rate movements on Corning's operating results.

Corning engages in foreign currency hedging activities to reduce the risk that changes in exchange rates will adversely affect the eventual net cash flows resulting from the sale of products to foreign customers and purchases from foreign suppliers. The hedge contracts reduce the exposure to fluctuations in exchange rate movements because the gains and losses associated with foreign currency balances and transactions are generally offset with gains and losses of the hedge contracts. Because the impact of movements in foreign exchange rates on hedge contracts offsets the related impact on the underlying items being hedged, these financial instruments help alleviate the risk that might otherwise result from currency exchange rate fluctuations.

The following table (in millions) summarizes the notional amounts and respective fair values of the derivative financial instruments at December 31, 2000. These contracts are held by Corning and its subsidiaries and mature at varying dates:

	Notional Amount	Fair Value
Foreign exchange forward contracts	$ 526.4	$ 15.4
Foreign exchange option contracts	$ 121.7	$ 1.7

In December 1998, one of Corning's subsidiaries entered into financing agreements which provide for the sale of certain future yen based revenues, beginning February 1999 and expiring in December 2001. These contracts were terminated in 2000. These contracts required the counterparty to advance U.S. dollars in amounts up to $10.1 million each month and Corning to repay the notes only to the extent of future yen denominated revenues. The obligations under these contracts were not cancelable by either party. Borrowings under the agreements bore interest at a premium to the Eurodollar rate. Transaction gains or losses related to these contracts were deferred and recognized as an adjustment to the revenue securing the note repayments. Borrowings were recorded on the balance sheet only to the extent they were outstanding. The cumulative borrowings between January 2000 and July 2000 and those for February 1999 and December 1999 were $60.4 million and $95.0 million, respectively. Cumulative repayments approximated 6.6 billion and 9.4 billion yen for the same periods.

DISTRIBUTION OF SHARES OF QUEST DIAGNOSTICS AND COVANCE INC.

On December 31, 1996, Corning distributed shares of Quest Diagnostics Incorporated and Covance Inc., which collectively comprised Corning's Health Care Services Segment, to its shareholders on a pro rata basis (the Distributions). Corning agreed to indemnify Quest Diagnostics on an after-tax basis for the settlement of certain government claims and against certain other claims that were pending at December 31, 1996. Coincident with the Distributions, Corning recorded a payable to Quest Diagnostics of approximately $25 million, which was management's best estimate of amounts which were probable of being paid by Corning to Quest Diagnostics to satisfy the remaining indemnified claims on an after-tax basis. Quest Diagnostics settled a significant matter with the Department of Justice late in 2000 requiring Corning to reimburse Quest Diagnostics $9 million. As a result, in the fourth quarter Corning released reserves totaling $12.5 million after tax in excess of the indemnified settlement between Quest Diagnostics and the Department of Justice.

RECAPITALIZATION AND SALE OF THE CONSUMER HOUSEWARES BUSINESS

On April 1, 1998, Corning completed the recapitalization and sale of a controlling interest in its consumer housewares business to an affiliate of Borden, Inc. Corning received cash proceeds of $593 million and continues to retain a three percent interest in World Kitchen Inc., formerly Corning Consumer Products Company.

During the fourth quarter of 1999 certain indemnification agreements related to this transaction expired. As a result, Corning recorded income from discontinued operations of $7.9 million ($4.8 million after tax), from the release of reserves provided at the date of the transaction.

Summarized results of Corning's discontinued operations are as follows (in millions):

	2000	1999	1998
Sales			$ 116.8
Loss before income taxes			$ (0.9)
Income tax benefit			(0.3)
Loss from operations, net of income taxes			(0.6)
Gain on sale of consumer housewares business, net of tax of $3.1 million and $75.8 million, respectively		$ 4.8	$ 67.1
Reversal of provision for loss on Distributions	$ 12.5		
Discontinued operations, net of income taxes	$ 12.5	$ 4.8	$ 66.5

The results of operations from the consumer housewares business are for the period through March 31, 1998. Results of the discontinued businesses include allocations of consolidated interest expense totaling $2.7 million in 1998. The allocation was based on the ratio of net assets of discontinued operations to consolidated net assets.

The management of Corning Incorporated is responsible for the preparation, presentation and integrity of the consolidated financial statements and other information included in this annual report. The financial statements have been prepared in accordance with generally accepted accounting principles and include certain amounts based on management's best estimates and judgments.

In meeting its responsibility for the reliability of these financial statements, Corning maintains comprehensive systems of internal accounting control. These systems are designed to provide reasonable assurance at reasonable cost that corporate assets are protected against loss or unauthorized use and that transactions and events are properly recorded. Such systems are reinforced by written policies, selection and training of competent financial personnel, appropriate division of responsibilities and a program of internal audits.

The consolidated financial statements have been audited by our independent accountants, PricewaterhouseCoopers LLP. Their responsibility is to express an independent, professional opinion with respect to the consolidated financial statements on the basis of an audit conducted in accordance with generally accepted auditing standards.

The Board of Directors, through its Audit Committee, is responsible for reviewing and monitoring Corning's financial reporting and accounting practices and recommending annually the appointment of the independent accountants. The Committee, comprised of non-management directors, meets periodically with management, the internal auditors and the independent accountants to review and assess the activities of each. Both the independent accountants and the internal auditors meet with the Committee, without management present, to review the results of their audits and their assessment of the adequacy of the systems of internal accounting control and the quality of financial reporting.

John W. Loose

John W. Loose
President and Chief Executive Officer

James B. Flaws

James B. Flaws
Executive Vice President and Chief Financial Officer

Katherine A. Asbeck

Katherine A. Asbeck
Senior Vice President and Controller

PricewaterhouseCoopers LLP

To the Board of Directors and Shareholders of Corning Incorporated

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, cash flows and changes in shareholders' equity, appearing on pages 44 through 47 present fairly, in all material respects, the financial position of Corning Incorporated and its subsidiaries at December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
1301 Avenue of the Americas
New York, New York 10019

January 24, 2001

(In millions, except per share amounts)

2000	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
Revenues	$ 1,381.7	$ 1,802.5	$ 1,944.0	$ 2,144.9	$ 7,273.1
Gross profit	563.6	745.7	803.1	883.6	2,996.0
Income (loss) from continuing operations before income taxes, minority interest and equity earnings	136.8	254.3	320.3	(20.0)	691.4
Taxes on income (loss) from continuing operations	54.9	136.9	111.7	103.6	407.1
Minority interest in earnings of subsidiaries	(2.6)	(7.5)	(7.3)	(6.3)	(23.7)
Equity in earnings of associated companies	33.9	39.3	52.3	59.7	185.2
Impairment of equity investment	(36.3)				(36.3)
Income (loss) from continuing operations	$ 76.9	$ 149.2	$ 253.6	$ (70.2)	$ 409.5
Income from discontinued operations, net of income tax[1]				12.5	12.5
Net income (loss)	$ 76.9	$ 149.2	$ 253.6	$ (57.7)	$ 422.0
BASIC EARNINGS (LOSS) PER SHARE					
Continuing operations	$ 0.09	$ 0.18	$ 0.29	$ (0.08)	$ 0.48
Discontinued operations[1]				0.02	0.01
Net income (loss)	$ 0.09	$ 0.18	$ 0.29	$ (0.06)	$ 0.49
DILUTED EARNINGS (LOSS) PER SHARE					
Continuing operations	$ 0.09	$ 0.17	$ 0.28	$ (0.08)	$ 0.46
Discontinued operations[1]				0.02	0.02
Net income (loss)	$ 0.09	$ 0.17	$ 0.28	$ (0.06)	$ 0.48
Dividend declared	$ 0.06	$ 0.06	$ 0.06	$ 0.06	$ 0.24
Price range					
High	$ 73.33	$ 89.96	$ 113.11	$ 105.94	
Low	34.58	48.33	77.58	52.81	

1999	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
Revenues	$ 1,007.0	$ 1,141.0	$ 1,284.0	$ 1,380.5	$ 4,812.5
Gross profit	383.2	436.4	478.2	513.0	1,810.8
Income from continuing operations before income taxes, minority interest and equity earnings	121.0	169.9	184.1	199.9	674.9
Taxes on income from continuing operations	37.3	52.3	55.7	61.8	207.1
Minority interest in earnings of subsidiaries	(10.1)	(17.4)	(18.6)	(20.7)	(66.8)
Dividends on convertible preferred securities of subsidiary	(2.3)				(2.3)
Equity in earnings of associated companies	21.2	30.8	32.1	28.2	112.3
Income from continuing operations	$ 92.5	$ 131.0	$ 141.9	$ 145.6	$ 511.0
Income from discontinued operations, net of income tax[1]				4.8	4.8
Net income	$ 92.5	$ 131.0	$ 141.9	$ 150.4	$ 515.8
BASIC EARNINGS PER SHARE					
Continuing operations	$ 0.12	$ 0.17	$ 0.18	$ 0.19	$ 0.67
Discontinued operations[1]					
Net income	$ 0.12	$ 0.17	$ 0.18	$ 0.19	$ 0.67
DILUTED EARNINGS PER SHARE					
Continuing operations	$ 0.12	$ 0.17	$ 0.18	$ 0.18	$ 0.65
Discontinued operations[1]				0.01	0.01
Net income	$ 0.12	$ 0.17	$ 0.18	$ 0.19	$ 0.66
Dividend declared	$ 0.06	$ 0.06	$ 0.06	$ 0.06	$ 0.24
Price range					
High	$ 20.31	$ 23.38	$ 25.00	$ 42.98	
Low	15.17	16.00	20.46	21.88	

[1] Discontinued operations are described in Note 15 of the Notes to Consolidated Financial Statements.

(In millions, except per share amounts)

	2000	1999	1998	1997	1996
BASIC EARNINGS (LOSS) PER SHARE					
Continuing operations	$ 0.48	$ 0.67	$ 0.48	$ 0.59	$ 0.49
Discontinued operations	0.01	0.00	0.09	0.04	(0.19)
Net income	$ 0.49	$ 0.67	$ 0.57	$ 0.63	$ 0.30
DILUTED EARNINGS (LOSS) PER SHARE					
Continuing operations	$ 0.46	$ 0.65	$ 0.47	$ 0.57	$ 0.48
Discontinued operations	0.02	0.01	0.09	0.04	(0.18)
Net income	$ 0.48	$ 0.66	$ 0.56	$ 0.61	$ 0.30
Dividends declared	$ 0.24	$ 0.24	$ 0.24	$ 0.24	$ 0.24
Shares used in computing per share amounts					
Basic earnings per share	858.4	765.3	733.2	728.7	726.0
Diluted earnings per share	879.3	795.0	777.6	781.2	765.0
OPERATIONS					
Net sales	$ 7,127.1	$ 4,741.1	$ 3,831.9	$ 3,831.2	$ 3,327.5
Nonoperating gains	6.8	30.0	39.7		21.5
Research, development and engineering expenses	539.9	378.2	307.4	262.9	200.1
Amortization of purchased intangibles, including goodwill	245.0	27.8	22.2	21.8	16.3
Acquisition-related charges	462.6				
Provision for impairment and restructuring		1.4	84.6		5.9
Taxes on income from continuing operations	407.1	207.1	149.5	223.3	174.2
Minority interest in earnings of subsidiaries	(23.7)	(66.8)	(61.6)	(77.4)	(59.8)
Dividends on convertible preferred securities of subsidiary		(2.3)	(13.7)	(13.7)	(13.7)
Equity in earnings of associated companies	185.2	112.3	97.3	79.2	83.8
Impairment of equity investment	(36.3)				
Income from continuing operations	$ 409.5	$ 511.0	$ 354.8	$ 430.6	$ 355.2
Income (loss) from discontinued operations, net of income taxes	12.5	4.8	66.5	30.9	(136.9)
Extraordinary charge, net of income taxes and minority interest					(0.9)
NET INCOME	$ 422.0	$ 515.8	$ 421.3	$ 461.5	$ 217.4
FINANCIAL POSITION					
ASSETS					
Working capital	$ 2,685.7	$ 430.2	$ 347.7	$ 326.2	$ 524.2
Plant and equipment, net	4,679.0	3,201.7	2,783.9	2,337.3	1,873.6
Goodwill and other intangible assets, net	7,339.9	506.7	506.2	472.8	426.4
Total assets	17,525.7	6,526.0	5,464.3	5,079.7	4,557.7
CAPITALIZATION					
Long-term debt	$ 3,966.4	$ 1,490.4	$ 1,217.8	$ 1,277.3	$ 1,333.3
Other liabilities	829.9	720.6	682.7	636.0	605.8
Minority interest in subsidiary companies	139.1	284.8	346.1	354.3	320.8
Convertible preferred securities of subsidiary			365.2	365.3	365.1
Mandatorily redeemable convertible preferred stock	8.7	13.5	17.9	19.8	22.2
Common shareholders' equity	10,632.9	2,462.7	1,706.6	1,428.5	1,132.8
Total capitalization	$ 15,577.0	$ 4,972.0	$ 4,336.3	$ 4,081.2	$ 3,780.0
SELECTED DATA					
Common dividends declared	$ 210.7	$ 175.7	$ 166.8	$ 166.2	$ 165.3
Preferred dividends declared	$ 0.8	$ 1.2	$ 1.5	$ 1.6	$ 1.9
Capital expenditures	$ 1,721.3	$ 757.1	$ 730.4	$ 760.3	$ 583.4
Depreciation and amortization	$ 764.9	$ 408.3	$ 320.1	$ 305.0	$ 266.3
Number of employees [1]	40,300	21,500	19,300	19,500	18,200
Number of common shareholders	20,140	20,200	22,100	23,600	24,300

[1] Amounts do not include employees of discontinued operations.

DIRECTORS

ROGER G. ACKERMAN
Chairman and Chief Executive Officer
Corning Incorporated

JOHN SEELY BROWN
Vice President and Chief Scientist
Xerox Corporation, Palo Alto, CA

JOHN H. FOSTER
Managing Partner
Foster Management Company, King of Prussia, PA

NORMAN E. GARRITY††
Vice Chairman
Corning Incorporated

GORDON GUND
President and Chief Executive Officer
Gund Investment Corporation, Princeton, NJ

JAMES B. FLAWS**
Executive Vice President and
Chief Financial Officer
Corning Incorporated

JOHN M. HENNESSY
Executive Advisor
Credit Suisse First Boston Advisory Partners, LLC
New York, NY

JAMES R. HOUGHTON
Chairman Emeritus, Corning Incorporated

JOHN W. LOOSE
President and Chief Executive Officer*
Corning Incorporated

JAMES J. O'CONNOR
Retired Chairman and Chief Executive Officer
Unicom Corporation, Chicago, IL

CATHERINE A. REIN
President and Chief Executive Officer
Metropolitan Property and Casualty Insurance Company
Warwick, RI

DEBORAH D. RIEMAN
Entrepreneur in Residence
U.S. Venture Partners, Menlo Park, CA

H. ONNO RUDING
Vice Chairman
Citibank, N.A., New York, NY

WILLIAM D. SMITHBURG
Retired Chairman and Chief Executive Officer
The Quaker Oats Company, Chicago, IL

PETER F. VOLANAKIS**
President*
Corning Technologies
Corning Incorporated

WENDELL P. WEEKS**
President*
Corning Optical Communications
Corning Incorporated

DIRECTORS EMERITI

ROBERT BARKER
Professor and Provost Emeritus
Cornell University, Ithaca, NY

MARY L. BUNDY
Retired Clinical Social Worker
New York, NY

FRANCIS H. BURR
Partner
Ropes & Gray, Boston, MA

JOHN B. COBURN
Retired Bishop
Episcopal Diocese of Massachusetts
Boston, MA

BARBER B. CONABLE JR.
Retired President
World Bank, New York, NY

ROBERT L. GENILLARD
Vice Chairman, Credit Suisse Group
Zürich, Switzerland

VERNON E. JORDAN JR.
Senior Managing Director
Lazard Freres and Company
New York, NY

JAMES W. KINNEAR
Retired President and Chief Executive Officer
Texaco Inc., White Plains, NY

ROBERT S. MCNAMARA
Retired President
World Bank, Washington, D.C.

EDWARD L. PALMER
Retired Chairman, Executive Committee
Citibank, N.A., New York, NY

HENRY ROSOVSKY
Geyser University Professor Emeritus
Harvard University, Cambridge, MA

ROBERT G. STONE JR.
Chairman Emeritus
Kirby Corporation, New York, NY

* Effective January 1, 2001
** Elected Director December 6, 2000
††Retired February 2001

CORPORATE OFFICERS

ROGER G. ACKERMAN
Chairman and Chief Executive Officer

JOHN W. LOOSE
President and Chief Executive Officer*

JAMES B. FLAWS
Executive Vice President and
Chief Financial Officer

NORMAN E. GARRITY††
Vice Chairman

PETER F. VOLANAKIS
President*
Corning Technologies

WENDELL P. WEEKS
President*
Corning Optical Communications

KATHERINE A. ASBECK
Senior Vice President and Controller*

CHARLES W. DENEKA†
Executive Vice President and
Chief Technology Officer

WILLIAM D. EGGERS
Senior Vice President and
General Counsel

A. JOHN PECK JR.
Senior Vice President and Secretary*

MARK S. ROGUS
Vice President and Treasurer**

STAFF OFFICERS

KATHERINE M. DIETZ
Vice President, Investor Relations*

GARY K. EMMICK
Senior Vice President
Employee Relations

KURT R. FISCHER
Vice President*
Business Human Resources

RICHARD J. FISHBURN
Vice President and
Chief Information Officer

DAVID H. FULLER
Vice President, Science & Technology
and Technology Delivery Officer

ROBERT A. GILCHRIST
Senior Vice President, Manufacturing
Effectiveness and Corporate Quality

KIRK P. GREGG
Senior Vice President, Administration

VINCENT P. HATTON
Vice President, and Director
Legal Department

DONALD B. KECK
Vice President and
Technology Director*
Optical Physics Technology

JOHN P. MACMAHON
Vice President*
Worldwide Compensation

DONALD H. MCCONNELL JR.
Senior Vice President, and Director
Science & Technology*

ALFRED L. MICHAELSEN†††
Senior Vice President and
General Patent Counsel

KATHYRN M. MURPHY
Vice President, Materials Management

TIMOTHY J. REGAN
Senior Vice President
Government Affairs*

PAMELA C. SCHNEIDER
Senior Vice President, Human
Resources and Diversity Officer

SUZANNE D. WELCH
Vice President, Corporate Marketing*

GROUP OFFICERS

LARRY AIELLO JR.
Senior Vice President
Optical Communications

R. PIERCE BAKER III
Senior Vice President, Life Sciences

ROBERT B. BROWN
Vice President and General Manager*
Electro-Optic Component Products

PHILIPPE DELLOYE
President, Corning Europe, and
Président and Directeur Général,
Corning S.A., and General Manager,
Optical Products

ROBERT L. ECKLIN
Executive Vice President
Optical Communications

ALAN T. EUSDEN
Senior Vice President and
General Manager*
Optical Fiber

RALF FABER
Vice President and General Manager*
Micro Optic Components

GERALD J. FINE
Executive Vice President*
Photonic Technologies

SATOSHI FURUYAMA
President, Corning Japan K.K.

KENNETH KAO
President and Chief Executive Officer
Corning Asahi Video Products Company

FRANK R. LITTLE
Vice President and General Manager*
Optical Transport Products

SANFORD D. LYONS
President and Chief Executive Officer
Corning Cable Systems

SIMON J. MACKINNON
Vice President, Corning International
President, Corning China

JEAN-LOUIS MALINGE
Vice President and General Manager*
Optical Component Products

E. MARIE MCKEE
Chairman, Steuben
Senior Vice President
Corning Incorporated

LAWRENCE D. MCRAE
Vice President
Corporate Development

MARK A. NEWHOUSE
Vice President and General Manager*
Optical Networking Devices

WILLIAM PLERHOPLES
Vice President, Manufacturing
Technology and Engineering

CLIFTON L. SMITH†††
President and Chief Executive Officer
Corning Asahi Video Products Company

GREGORY E. SMITH
President, Corning Innovation Ventures

JAMES R. STEINER
Vice President and General Manager
Speciality Materials

STEVEN P. SUTTLE
Vice President and General Manager
Environmental Technologies

DAVID E. SZKUTAK
President and Chief Executive Officer
Corning Precision Lens

ROBERT V. VANDEWOESTINE
Vice President,* New Fiber Products

* Effective January 1, 2001
** Elected December 6, 2000
† Retired January 2001
†† Retired February 2001
††† Retired March 2001

PRINCIPAL SUBSIDIARIES

CORNING ASAHI VIDEO PRODUCTS COMPANY
Corning, NY
(49% owned by Asahi Glass America Inc.)

CORNING CABLE SYSTEMS LLC
Hickory, NC

CORNING CABLE SYSTEMS GMBH & CO KG
Munich, Germany

CORNING GMBH
Wiesbaden, Germany

CORNING JAPAN K.K.
Tokyo, Japan

CORNING NETOPTIX, INC.
Natick, MA

CORNING NOBLE PARK PTY. LIMITED
Melbourne, Australia

CORNING OAK HOLDING, INC.
Waltham, MA

CORNING OPTICAL FIBER
Deeside, U.K.
(50% owned by Corning Optical Fiber, Inc. and 50% owned by Corning Limited)

CORNING OPTICAL FIBER GMBH & CO KG
Neustadt, Germany

CORNING PRECISION LENS INCORPORATED
Cincinnati, OH

CORNING S.A.
Avon, France

INTELLISENSE CORPORATION
Wilmington, MA

OPTICAL TECHNOLOGIES ITALIA S.P.A.
Milan, Italy

PRINCIPAL ASSOCIATED COMPANIES

[investors shown in italics] (percent owned in parentheses)

AMERICAN VIDEO GLASS COMPANY
Pittsburgh, PA
[*Partnership between Asahi Glass America Inc., Corning Incorporated and Sony Corporation*] (25%)

CORMETECH INC.
Durham, NC
[*Mitsubishi Heavy Industries Ltd.; Mitsubishi Chemical Company Ltd.*] (50%)

DOW CORNING CORPORATION
Midland, MI
[*The Dow Chemical Company*] (50%)

EUROKERA, S.N.C.
Château Thierry, France
[*St. Gobain Vitrage S.A.*] (50%)

EUROKERA NORTH AMERICA, INC.
Greenville, SC
[*St. Gobain Vitrage S.A.*] (50%)

PITTSBURGH CORNING CORPORATION
Pittsburgh, PA
[*PPG Industries Inc.*] (50%)

PITTSBURGH CORNING EUROPE N.V.
Brussels, Belgium
[*PPG Industries Inc.*] (50%)

SAMARA OPTICAL CABLE COMPANY
Samara, Russia
[*Samara Cable Company*] (51%)

SAMCOR GLASS LIMITED
New Delhi, India
[*Samtel Group; Samsung-Corning Company Ltd.*] (45%)

SAMSUNG-CORNING COMPANY LTD.
Seoul, South Korea
[*Samsung Group*] (50%)

SAMSUNG-CORNING MICRO-OPTICS COMPANY, LTD.
Seoul, South Korea
[*Samsung Group*] (50%)

SAMSUNG-CORNING PRECISION GLASS COMPANY, LTD.
Seoul, South Korea
[*Samsung Group*] (50%)

ANNUAL MEETING

The annual meeting of shareholders will be held on Thursday, June 21, 2001, in Corning, NY. A formal notice of the meeting together with a proxy statement will be mailed to shareholders on or about April 23, 2001. The proxy statement can also be accessed electronically through the Investor Relations category of the Corning home page on the Internet at http://www.corning.com. A summary report of the proceedings at the annual meeting will be available without charge upon written request to Mr. A. John Peck Jr., senior vice president and secretary, Corning Incorporated, HQ-E2-10, Corning, NY 14831.

ADDITIONAL INFORMATION

A copy of Corning's 2000 Annual Report on Form 10-K filed with the Securities and Exchange Commission is available upon written request to Mr. A. John Peck Jr., senior vice president and secretary, Corning Incorporated, HQ-E2-10, Corning, NY 14831. The Annual Report on Form 10-K can also be accessed electronically through the Investor Relations category of the Corning home page on the Internet at http://www.corning.com.

INVESTOR INFORMATION

Investment analysts who need additional information may contact Ms. Katherine M. Dietz, vice president of investor relations, Corning Incorporated, HQ-E2-25, Corning, NY 14831;
Telephone (607) 974-9000.

COMMON STOCK

Corning Incorporated common stock is listed on the New York Stock Exchange and the Zurich Stock Exchange. In addition, it is traded on the Boston, Midwest, Pacific and Philadelphia stock exchanges. Common stock options are traded on the Chicago Board Options Exchange. The abbreviated ticker symbol for Corning Incorporated is "GLW."

DIVIDEND REINVESTMENT

Corning's Dividend Reinvestment Plan allows shareholders to reinvest dividends in Corning Incorporated common stock automatically, regularly and conveniently. In addition, participating shareholders may supplement the amount invested with voluntary cash investments. Plan participation is voluntary and shareholders may join or withdraw at any time.

Full details of the Plan are available by writing to the Secretary of the company.

TRANSFER AGENT, REGISTRAR AND DIVIDEND DISBURSING AGENT

Computershare Investor Services LLC
P.O. Box A-3504
Chicago, IL 60690-3504
Telephone: (800) 255-0461

CHANGE OF ADDRESS

Report change of address to Computershare Investor Services at the above address.

INDEPENDENT ACCOUNTANTS

PricewaterhouseCoopers LLP
1301 Avenue of the Americas
New York, NY 10019

"SAFE HARBOR" STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

The statements in this Annual Report that are not historical facts or information are forward-looking statements. These forward-looking statements involve risks and uncertainties that may cause the outcome to be materially different. Such risks and uncertainties include, but are not limited to:

- global economic conditions,
- currency fluctuations,
- product demand and industry capacity,
- competitive products and pricing,
- sufficiency of manufacturing capacity and efficiencies,
- cost reductions,
- availability and costs of critical materials,
- new product development and commercialization,
- attracting and retaining key personnel,
- facility expansions and new plant start-up costs,
- the effect of regulatory and legal developments,
- capital resource and cash flow activities,
- capital spending,
- equity company activities,
- interest costs,
- acquisition and divestiture activity,
- the rate of technology change,
- the ability to enforce patents,
- stock price fluctuations, and
- other risks detailed in Corning's Securities and Exchange Commission filings.

CORPORATE VALUES

Corning's values provide an unchanging moral and ethical compass that guides the actions of everyone in the company. The corporate values: *Quality*, *Integrity*, *Performance*, *Leadership*, *Technology*, *Independence and The Individual*.

OPERATING ENVIRONMENT

Corning employees work in an environment founded on the corporate values and designed to promote personal, professional and business growth. The eight dimensions of the operating environment: *Customer Focused*, *Results Oriented*, *Forward Looking*, *Entrepreneurial*, *Rigorous*, *Open*, *Engaging and Enabling*.

TOTAL QUALITY

Total Quality is the guiding principle of Corning's business life. Total Quality performance means understanding who the customer is and what the requirements are, and meeting those requirements better than anyone else, without error, on time, every time.

ENVIRONMENTAL POLICY

Corning Incorporated is committed to protecting the environment wherever we operate in the world. We achieve this by complying with and striving to exceed all applicable laws, regulations and company standards; maintaining an environmental management system that assures policy implementations; recycling whenever possible and working to create innovative recycling opportunities; and promoting and increasing environmental awareness within our plants and facilities.

CORNING FOUNDATION

The Corning Foundation was established to administer the charitable contributions of Corning Incorporated. Grants to communities in which Corning operates account for over 50% of Foundation assistance. Typical recipients are performing arts organizations, school systems, libraries, hospitals and programs to promote technical education for women and other under-represented groups.

Employee giving is encouraged by the Foundation through its Matching Gifts Program. A Foundation Report of Activities is available to shareholders upon written request to Mr. A. John Peck Jr., senior vice president and secretary, Corning Incorporated, HQ-E2-10, Corning, NY 14831.

TRADEMARKS

The following trademarks of Corning Incorporated and its subsidiaries appear in this report:

Corning
Discovering Beyond Imagination
Flame of Discovery design
Lasertron
LEAF
MetroCor
PurePath
Steuben

Corning is an equal opportunity employer.

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