

Corning Inc

S&P Recommendation **STRONG BUY** ★★★★★

Price
\$27.36 (as of May 16, 2008)

12-Mo. Target Price
\$33.00

Investment Style
Large-Cap Blend

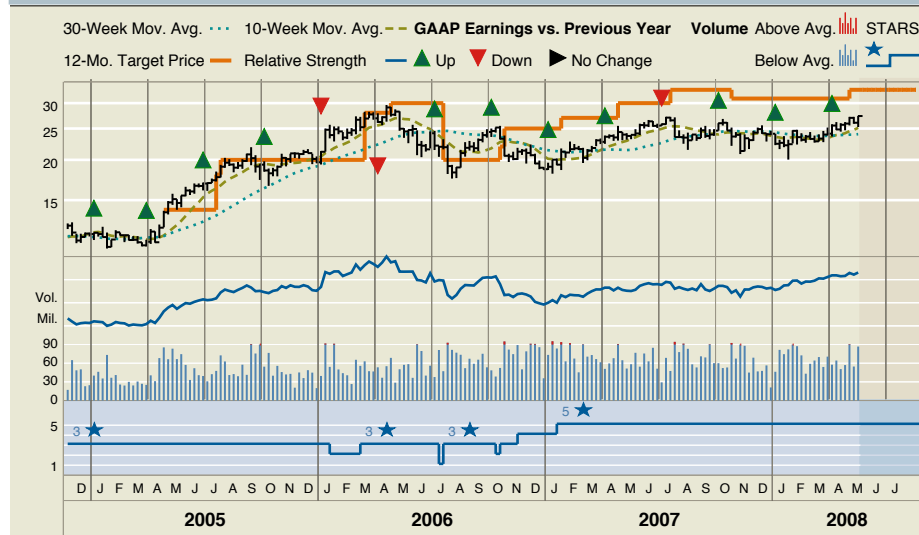
GICS Sector Information Technology
Sub-Industry Communications Equipment

Summary GLW, once an old-line housewares company, is now a leading maker of glass substrates used by the electronics industry and fiber optic equipment used by the telecommunications industry.

Key Stock Statistics (Source S&P, Vickers, company reports)

52-Wk Range	\$27.42–20.04	S&P Oper. EPS 2008E	1.86	Market Capitalization(B)	\$43.089	Beta	1.06
Trailing 12-Month EPS	\$1.78	S&P Oper. EPS 2009E	1.95	Yield (%)	0.73	S&P 3-Yr. Proj. EPS CAGR(%)	13
Trailing 12-Month P/E	15.4	P/E on S&P Oper. EPS 2008E	14.7	Dividend Rate/Share	\$0.20	S&P Credit Rating	BBB+
\$10K Invested 5 Yrs Ago	\$43,774	Common Shares Outstg. (M)	1,574.9	Institutional Ownership (%)	75		

Price Performance



Qualitative Risk Assessment

LOW MEDIUM HIGH

Our risk assessment reflects Corning's exposure to intense competition in its major businesses, offset by its market leadership and positive cash flow, and our view of its strong balance sheet.

Quantitative Evaluations

S&P Quality Ranking B-

D C B- B B+ A- A A+

Relative Strength Rank STRONG

82
LOWEST = 1 HIGHEST = 99

Revenue/Earnings Data

Revenue (Million \$)	1Q	2Q	3Q	4Q	Year
2008	1,617	--	--	--	--
2007	1,307	1,418	1,553	1,582	5,860
2006	1,262	1,261	1,282	1,369	5,174
2005	1,050	1,141	1,188	1,200	4,579
2004	844.0	971.0	1,006	1,033	3,854
2003	746.0	752.0	772.0	820.0	3,090

Earnings Per Share (\$)	2008	2007	2006	2005	2004	2003
2008	0.64	E0.47	E0.47	E0.47	E1.86	
2007	0.20	0.30	0.38	0.45	1.34	
2006	0.16	0.32	0.27	0.41	1.16	
2005	0.17	0.11	0.13	-0.02	0.38	
2004	0.04	0.07	-1.79	0.11	-1.57	
2003	-0.17	-0.02	0.02	-0.02	-0.18	

Fiscal year ended Dec. 31. Next earnings report expected: Late July. EPS Estimates based on S&P Operating Earnings; historical GAAP earnings are as reported.

Dividend Data (Dates: mm/dd Payment Date: mm/dd/yy)

Amount (\$)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
0.050	07/18	08/27	08/29	09/28/07
0.050	10/03	11/13	11/15	12/14/07
0.050	02/06	02/28	03/03	03/31/08
0.050	04/24	05/29	06/02	06/30/08

Dividends have been paid since 2007. Source: Company reports.

Analysis prepared by **Todd Rosenbluth** on April 30, 2008, when the stock traded at **\$26.53**.

Highlights

- ▶ We see sales growth accelerating to 19% in 2008, up from 13% in 2007, aided by currency benefits and more importantly, higher demand for liquid crystal display (LCD) glass substrates from TV and computer manufacturers. We also see more modest growth in the telecom unit, as a result of new fiber business, and emerging sales in the diesel unit. We see end user demand for LCD products as robust despite a macroeconomic slowdown. Our forecast is for 16% sales growth in 2009.
- ▶ We expect gross margins to widen to 52% in 2008 from 47% in 2007. We see gains in the high-margin display segment as demand for larger glass sizes from top customers leverages existing capacity, and we see improvements in the environmental segment. We see operating margin expansion to 28% in 2008, from 22% in 2007 with well controlled SG&A expenses.
- ▶ We are estimating a 14% tax rate 2008, but 24% in 2009 as we expect the tax valuation allowance to unwind. With modest share buy-backs and increased equity earnings, we project operating EPS of \$1.86 in 2008 and \$1.95 in 2009.

Investment Rationale/Risk

- ▶ We expect GLW's markets for LCD glass panels to remain strong (as seen in first quarter results), due to continued investment in facilities and relationships with the market leaders. We think demand will continue to improve in 2008, even though we see some risk that consumer spending will deteriorate. We forecast that telecom fiber optic sales will strengthen, as we see increased demand and more stable pricing from large carrier customers. We view GLW balance sheet as strong, and see the shares as undervalued given prospects in growing markets.
- ▶ Risks to our recommendation and target price include soft demand for flat panel displays, unstable pricing on display technologies products, and weaker demand with narrower margins in the telecom unit.
- ▶ Our 12-month target price of \$33 is largely based on a P/E of 18X our 2008 EPS estimate, slightly above the peer average, but supported, we believe, by GLW's EPS growth rate. With the strong demand we see, and the shares well below our target price at a below average 14X multiple, we view GLW stock as compelling.

Please read the Required Disclosures and Analyst Certification on the last page of this report.

Redistribution or reproduction is prohibited without written permission. Copyright ©2008 The McGraw-Hill Companies, Inc.

Corning Inc**Business Summary** April 30, 2008

CORPORATE OVERVIEW. Corning (GLW) has completed a transformation from an old-line, slow-growing housewares company into a maker of high technology fiber optics for the global telecom industry and high performance glass components for the personal computer and television maker industries. Results are reported in the following primary business segments: display technologies (45% of sales in 2007; 53% net profit margin before equity income), telecommunications (30%; 6%), environmental technologies (13%), life sciences (5%), and specialty materials and other (7%). In 2007, 54% of overall sales were in Asia.

PRIMARY BUSINESS DYNAMICS. The display technologies segment manufactures glass substrates for active matrix liquid crystal displays (LCDs), which are used primarily in notebook computers, flat panel desktop monitors, and LCD televisions. In April 2008, GLW said it expects the LCD glass market, measured in square feet of glass, to increase nearly 30% in 2008, with the average LCD TV made with 11 square feet of glass.

In February, GLW believed that the market for Generation 5.5 to Generation 8.0 glass substrates (60% of fourth quarter 2007 production) will rise faster in 2008. As customers such as Sharp, Samsung and Sony move to Generation 8 from Generation 5.5, Corning will be able to make twice as many panels for LCD TVs per substrate and wider margin. Corning expects sales of LCD TVs to rise 33% in 2008 and 2009, with the average screen size rising about 10%. Meanwhile, notebooks are expected to increase 19% but require less glass. In 2008, Corning was investing in Generation 10 to support a customer initiative.

The telecom segment produces optical fiber and cable, and hardware and equipment products including cable assemblies, fiber optic hardware, and components. We believe fiber-to-the-premise (FTTP) products will benefit from increased demand and more stable pricing from large carriers in their fiber deployment spending. In July 2007, GLW said it added a new European FTTP customer, though we believe uncertain regulatory rules has delayed spending. In early 2008, Corning announced that existing customer Verizon will order its new product Clear Curve. This above-average margin product allows equipment to bend around corners with almost no signal loss, and, in our view, could help expand the FTTP market to multi-dwelling units (40% of global households).

The environmental technologies segment includes solutions for emissions and pollution control. Although sales are to the emission control systems manufacturers, the use of substrates and filters is also required by the automotive and diesel engine manufacturers following new regulations in the U.S. and Japan. We look to new diesel products as a larger contributor to revenues in 2008.

GLW's conventional glass television business includes a 50% interest in Samsung Corning Company, Ltd., a producer of components for cathode ray tubes in televisions and computer monitors. GLW also received equity earnings of \$345 million in 2007 from its stake in Dow Corning, a maker of silicones used by the automotive and electronics industries.

MARKET PROFILE. GLW believes that sales of LCD TVs made up 38% of all TV sales in 2007 and this penetration will rise to 50% in 2008 and 60% in 2009. TV market dynamics vary across geographic regions with LCD TVs comprising less than 20% of all sets in use both the U.S. and Europe and less than 10% in emerging markets such as China. For the anticipated penetration rates to materialize, LCD TV retail pricing needs to continue to decline. The company estimates that even if the U.S. TV market proved to be flat in 2008, GLW estimates that it would only impact global demand for glass by 3%. GLW expects to build inventory to meet seasonal demand later in 2008.

FINANCIAL TRENDS. As of the end of 2007, GLW had \$3.5 billion in cash and \$1.5 billion in debt. In 2007, GLW instituted a dividend for the first time since 2001 and announced a \$500 million share buyback program; the diluted share count at the end of 2007 was unchanged from a year earlier. Corning's inventory was down 1% in 2007, at \$631 million but rose to \$691 million as of March 2008. Corning's tax rate has been below average due in part to a deferred tax allowance. With improved profitability, the company believes the allowance may be unwound in 2009, resulting in a higher tax rate. At a 24% tax rate, GLW's operating EPS of \$1.41 in 2007 would have been reduced by \$0.10 and our 2008 estimate would be \$0.15 lower.

Corporate Information**Office**

One Riverfront Plaza, Corning, NY 14831-0001.

Telephone

607-974-9000.

Fax

607-974-8091.

Email

info@corning.com

Website<http://www.corning.com>**Officers****Chrmn & CEO**

W.P. Weeks

Pres & COO

P.F. Volanakis

Vice Chrmn & CFO

J.B. Flaws

EVP & Chief Admin Officer

K.P. Gregg

EVP & CTO

J.A. Miller, Jr.

Board Members

J. S. Brown

R. F. Cummings, Jr.

J. B. Flaws

G. Gund

J. R. Houghton

K. M. Landgraf

J. J. O'Connor

D. D. Rieman

H. O. Ruding

E. C. Sit

W. D. Smithburg

H. E. Tookes, II

P. F. Volanakis

W. P. Weeks

Domicile

New York

Founded

1851

Employees

24,800

Stockholders

630,450

Corning Inc

Quantitative Evaluations

S&P Fair Value Rank	5	1	2	3	4	5
		LOWEST		HIGHEST		

Based on S&P's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).

Fair Value Calculation	\$30.70	Analysis of the stock's current worth, based on S&P's proprietary quantitative model suggests that GLW is slightly undervalued by \$3.34 or 12.2%.
-------------------------------	----------------	--

Investability Quotient Percentile	98	LOWEST = 1 HIGHEST = 100
--	-----------	--------------------------

GLW scored higher than 98% of all companies for which an S&P Report is available.

Volatility	LOW	AVERAGE	HIGH
-------------------	------------	----------------	-------------

Technical Evaluation	BULLISH	Since March, 2008, the technical indicators for GLW have been BULLISH.
-----------------------------	----------------	--

Insider Activity	UNFAVORABLE	NEUTRAL	FAVORABLE
-------------------------	--------------------	----------------	------------------

Expanded Ratio Analysis

	2007	2006	2005	2004
Price/Sales	6.56	5.76	6.59	4.23
Price/EBITDA	20.58	20.03	23.50	18.29
Price/Pretax Income	17.22	12.32	25.79	NM
P/E Ratio	17.89	16.08	51.59	NM
Avg. Diluted Shares Outstg (M)	1,603.0	1,594.0	1,535.0	1,386.0

Figures based on calendar year-end price

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	13.26	14.79	14.70	1.39
Net Income	15.90	NM	NM	NM

Ratio Analysis (Annual Avg.)

	2007	2006	2005	2004
Net Margin (%)	36.69	28.44	4.28	NM
% LT Debt to Capitalization	13.67	18.86	25.16	30.72
Return on Equity (%)	25.68	22.44	2.99	NM

Company Financials Fiscal Year Ended Dec. 31

Per Share Data (\$)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Tangible Book Value	5.97	4.43	3.43	2.38	2.65	2.14	3.39	3.56	2.60	1.72
Cash Flow	1.72	1.56	0.71	-1.20	0.23	-1.04	-4.74	1.34	1.15	0.85
Earnings	1.34	1.16	0.38	-1.57	-0.18	-1.85	-5.89	0.46	0.65	0.46
S&P Core Earnings	1.45	1.17	0.48	-1.01	-0.16	-1.89	-3.11	NA	NA	NA
Dividends	0.10	Nil	Nil	Nil	Nil	Nil	0.12	0.24	0.24	0.24
Payout Ratio	7%	Nil	Nil	Nil	Nil	Nil	NM	52%	37%	52%
Prices:High	27.25	29.61	21.95	13.89	12.34	11.15	72.19	113.29	43.02	15.23
Prices:Low	18.12	17.50	10.61	9.29	3.34	1.10	6.92	34.33	14.92	7.63
P/E Ratio:High	20	26	58	NM	NM	NM	NM	NM	66	33
P/E Ratio:Low	14	15	28	NM	NM	NM	NM	NM	23	16

Income Statement Analysis (Million \$)

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Revenue	5,860	5,174	4,579	3,854	3,090	3,164	6,272	7,127	4,297	3,484
Operating Income	1,869	1,489	1,284	892	386	21.0	805	1,929	1,053	847
Depreciation	607	591	512	523	517	661	1,080	765	381	298
Interest Expense	101	76.0	116	141	154	179	153	107	79.9	56.7
Pretax Income	2,233	2,421	1,170	-1,137	-550	-2,604	-5,963	840	735	535
Effective Tax Rate	3.58%	22.9%	49.4%	NM	NM	NM	NM	48.4%	25.7%	24.8%
Net Income	2,150	1,855	585	-2,185	-223	-1,780	-5,498	410	477	328
S&P Core Earnings	2,319	1,863	738	-1,420	-200	-1,947	-2,908	NA	NA	NA

Balance Sheet & Other Financial Data (Million \$)

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Cash	3,516	1,157	1,342	1,009	833	1,471	1,037	138	116	12.2
Current Assets	5,294	4,798	3,860	3,281	2,694	3,825	4,107	4,634	1,783	1,310
Total Assets	15,215	13,065	11,175	9,710	10,752	11,548	12,793	17,526	6,012	4,982
Current Liabilities	2,512	2,319	2,216	2,336	1,553	1,680	1,994	1,949	1,488	1,075
Long Term Debt	1,514	1,696	1,789	2,214	2,668	3,963	4,461	3,966	1,289	1,364
Common Equity	9,496	7,246	5,609	3,752	5,379	4,536	5,414	10,633	2,227	1,506
Total Capital	11,077	8,987	7,441	6,059	8,168	8,713	10,001	14,808	3,814	3,233
Capital Expenditures	1,262	1,182	1,553	857	366	357	1,800	1,525	733	714
Cash Flow	2,757	2,446	1,097	-1,662	294	-1,247	-4,418	1,175	858	626
Current Ratio	2.1	2.1	1.7	1.4	1.7	2.3	2.1	2.4	1.2	1.2
% Long Term Debt of Capitalization	13.7	18.9	24.0	36.5	32.7	45.5	44.6	26.8	33.8	42.2
% Net Income of Revenue	36.7	35.9	12.8	NM	NM	NM	NM	5.7	11.1	9.4
% Return on Assets	15.2	15.3	5.6	NM	NM	NM	NM	3.4	8.7	6.7
% Return on Equity	25.7	29.1	12.5	NM	NM	NM	NM	6.2	25.5	23.7

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

Corning Inc

Sub-Industry Outlook

Our fundamental outlook for the communications equipment sub-industry is neutral. The industry is highly competitive, with multiple vendors fighting to supply a concentrated base of telecom service providers that enjoy strong buyer bargaining power. We think barriers to entry are somewhat challenging as the market is a global business that demands scale economies. However, equipment suppliers are faced with the omnipresent threat of new technologies, with traditional products regularly replaced by more efficient and functional equipment. While we see strong pockets of industry growth for certain convergence-related products, the majority of capital spending is directed toward mature legacy and maintenance equipment. All told, we see low single digit industry growth in the communications equipment market in 2008.

The service provider market should benefit from an intensifying competitive environment as telecom and cable operators race to build a unified voice and data network. Increased use of the Internet has fueled demand for broadband access technologies, particularly fiber to home deployments. Convergence is playing an important role in the industry, as equipment vendors that cannot offer a triple play-enabled portfolio will, we believe, be at a disadvantage. Industry sales growth can fluctuate widely quarter to quarter, given the uneven timing of carrier network rollouts.

In the wireless sector, we see the global handset market growing 10% in 2008 to over one billion units sold. Owing to an unfavorable product mix, large vendor Motorola (MOT: hold, \$9) lost material market share in 2007 and is spinning off its handset division. We see wireless infrastructure equipment manufacturers benefiting from commercial network launches of third-generation digital networks.

In the enterprise networking market, the need to upgrade and replace relatively old network equipment should create a gradual multi-year spending cycle. In November 2007, however, networking equipment bellwether Cisco Systems (CSCO: hold, \$24) warned of a softening U.S. enterprise spending market, which could hamper near-term market growth.

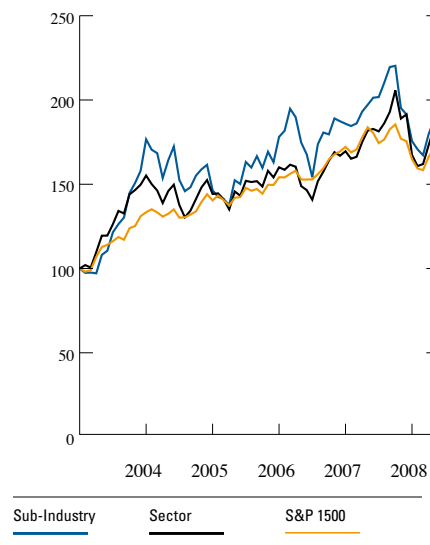
Year to date through April 11, the S&P Communications Equipment Index fell 13.7%, versus a 9.0% drop for the S&P 1500. We think the underperformance reflects concerns that a weakening U.S. enterprise spending environment will hamper industry equipment demand, particularly for networking infrastructure. With stocks edging toward the low end of their historical average valuation range, however, we see the sub-industry performing in line with the broader market.

--Ari Bensinger

Stock Performance

GICS Sector: Information Technology
Sub-Industry: Communications Equipment

Based on S&P 1500 Indexes
Month-end Price Performance as of 04/30/08



NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

Sub-Industry : Communications Equipment Peer Group*: Optical Components & Subsystems

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
Corning Inc	GLW	43,089	27.36	27.42/20.04	1.06	0.7	15	30.70	B-	98	36.7	13.7
Alliance Fiber Optic	AFOP	65	1.56	2.50/1.15	2.90	Nil	17	1.20	NR	13	2.5	1.4
Avanex Corp	AVNX	236	1.03	2.10/0.52	NM	Nil	NM	1.00	NR	3	NA	17.8
Bookham Inc	BKHM	186	1.87	3.39/1.13	1.55	Nil	NM	NA	NR	3	NM	NA
Finisar Corp	FNSR	472	1.53	4.21/1.06	NM	Nil	NM	1.60	NR	9	NM	56.8
JDS Uniphase Corp	JDSU	2,773	11.80	16.05/9.49	1.95	Nil	NM	13.80	C	78	NM	31.8
Oplink Communications	OPLK	219	10.59	18.03/8.22	1.44	Nil	NM	12.50	NR	69	12.3	NA
Optelecom-NKF Inc	OPTC	28	7.80	9.20/5.99	0.79	Nil	21	NA	B	14	3.9	42.2
Zhone Technologies	ZHNE	138	0.92	1.64/0.86	2.32	Nil	NM	0.90	NR	38	NM	10.9

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

Corning Inc**S&P Analyst Research Notes and other Company News****April 29, 2008**

Posts \$0.44 (excl. special item) vs. \$0.40 Q1 EPS on 24% sales rise. Current results excl. a non-cash credit of \$327M pretax, after-tax related to the pending Pittsburgh Corning Corporation bankruptcy proceeding. Sees \$0.47-\$0.50 Q2 EPS (excl. special item) on \$1.71B-\$1.75B sales. S&P maintains strong buy...

April 29, 2008

10:26 am ET ... UPDATE - S&P MAINTAINS STRONG BUY OPINION ON CORNING SHARES (GLW 26.68****): Following GLW's call to review better-than-expected Q1, we remain bullish on the shares. We raise our '08 EPS estimate by \$0.24 to \$1.86 on higher revenue growth in the LCD display business, expanding gross margin, and lower taxes. We set our '09 EPS estimate at \$1.95, including \$0.17 negative impact of unwinding of tax allowances. GLW says that customer glass inventory levels are healthy and that it expects higher volumes into '09. We view operating income growth and the balance sheet as strong. We raise our 12-month target price by \$2 to \$33 on relative P/E adjustments. /T.Rosenbluth

April 29, 2008

08:02 am ET ... S&P MAINTAINS STRONG BUY OPINION ON CORNING SHARES (GLW 25.68****): Before one-time items, GLW posts Q1 EPS of \$0.44 vs. \$0.28, above our \$0.42 estimate. Revenues matched our forecast, but operating income was stronger, as sales were led by high-margin display technologies on panel demand for larger LCD TVs and computers. Telecom equipment sales were lighter than expected, but GLW sees improvement in Q2. Lower taxes also aided results. Inventory rose more than expected, and we look to GLW's 8:30 a.m. call for added background. GLW's Q2 revenue and EPS guidance are ahead of our estimates, even given our view that LCD demand will drive results. /T.Rosenbluth

April 28, 2008

At the April 24, 2008, Corning Inc. Annual Meeting of Shareholders, shareholders elected the four directors to three-year terms. John Seely Brown, 68, retired Chief Scientist of Xerox Corporation; Gordon Gund, 68, Chairman and Chief Executive Officer of Gund Investment Corporation; Kurt M. Landgraf, 61, President and Chief Executive Officer of Educational Testing Service; and H. Onno Ruding, 68, retired Chairman of Citicorp and Citibank, N.A were elected as directors. John M. Hennessy, 71, Independent Senior Advisor of Credit Suisse First Boston and Padmasree Warrior, 47, Chief Technology Officer of Cisco Systems, Inc. completed their terms as Directors and stepped down from the Corning Board on April 24, 2008. Ms. Warrior had been a Corning Director since 2005 and Mr. Hennessy since 1989, and neither stood for re-election. Mr. Hennessy was named an honorary Director Emeritus by the Board of Directors in recognition of his long term contributions.

April 15, 2008

02:09 pm ET ... S&P MAINTAINS STRONG BUY OPINION ON CORNING SHARES (GLW 24.57****): Ahead of GLW's Q1 results, due out late April, we continue to see revenues of \$1.61 billion, operating income of \$404 million and EPS of \$0.42. Recent data points from the LCD and telecom fiber markets indicate to us that demand for GLW's equipment remained robust and was largely unaffected by macroeconomic challenges. Our full-year '08 operating EPS estimate of \$1.62, vs. \$1.44 in '07, assumes a higher tax rate in the second half as the tax valuation unwinds. We view GLW as undervalued, trading below our 12-month target price of \$31, which is based on relative P/E analysis. /T.Rosenbluth

March 3, 2008

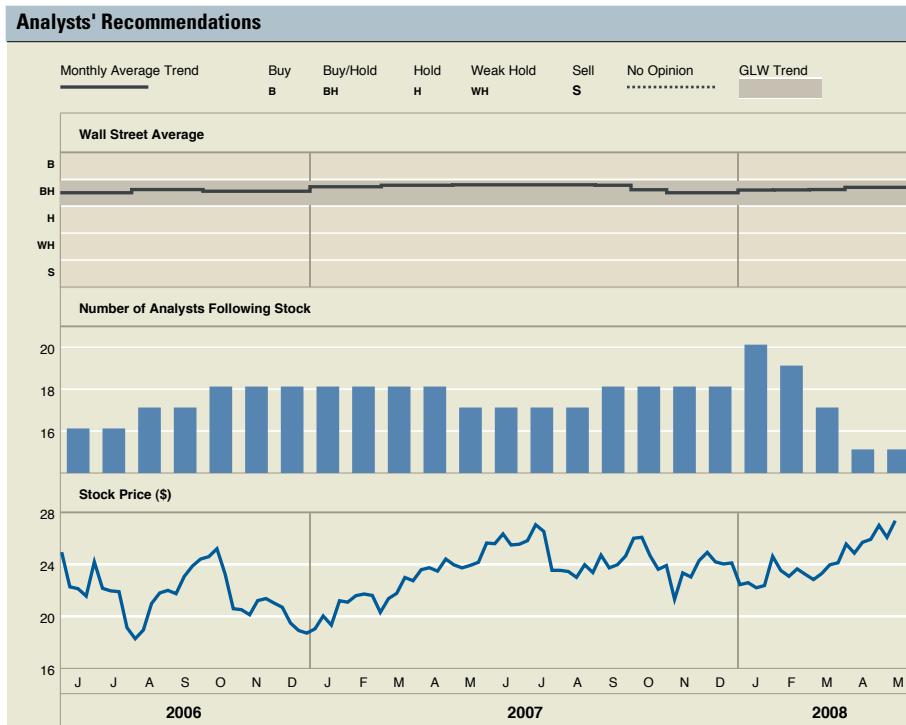
Corning Inc. announced that Katherine A. Asbeck, senior vice president, Finance, has been designated as principal accounting officer. Asbeck's appointment by the executive committee of Corning's Board of Directors follows the resignation of Jane D. Poulin as chief accounting officer and division vice president of Corning, effective March 31, 2008.

February 8, 2008

01:12 pm EST... S&P MAINTAINS STRONG BUY OPINION ON SHARES OF CORNING (GLW 23.46****): Following GLW's analyst day, we remain bullish on its shares and company fundamentals. We have confidence that demand for GLW's glass to support LCD TVs and monitors will be strong in '08 and '09 helping drive revenues and operating margin. In addition, we contend that GLW's telecom segment has improved prospects from new higher-margin bendable fiber equipment that should expand the market. We are lowering our '08 EPS by \$0.03 to \$1.62 reflecting a higher tax rate partly offset by a higher sales forecast.

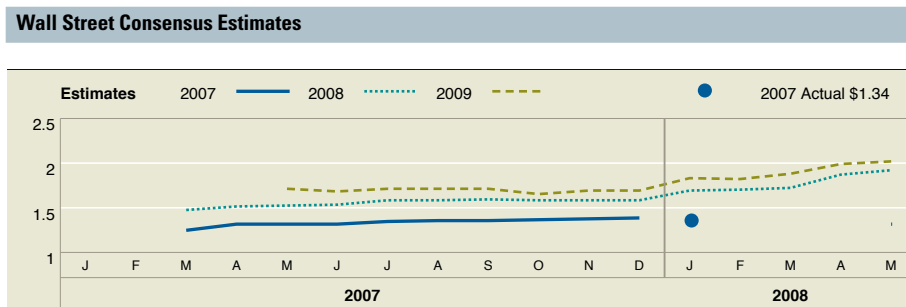
However, we maintain our PEG-based based 12-month target price of \$31. /T.Rosenbluth

Corning Inc



Of the total 16 companies following GLW, 15 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	6	40	6	7
Buy/Hold	6	40	6	7
Hold	3	20	3	5
Weak Hold	0	0	0	0
Sell	0	0	0	0
No Opinion	0	0	0	0
Total	15	100	15	19



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2009	2.03	2.20	1.73	13	13.5
2008	1.93	2.03	1.85	13	14.2
2009 vs. 2008	▲5%	▲8%	▼-6%	0%	▼-5%
Q2'09	0.48	0.52	0.43	13	57.0
Q2'08	0.49	0.50	0.47	13	55.8
Q2'09 vs. Q2'08	▼-2%	▲4%	▼-9%	0%	▲2%

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

Wall Street Consensus Opinion

BUY/HOLD

Companies Offering Coverage

- Argus Research Corp.
- Buckingham Research Group, Inc.
- Davenport & Co Of Virginia
- Deutsche Bank
- Griffin Securities, Inc.
- JP Morgan Securities
- Kintisheff Research
- Lehman Brothers, Inc.
- Maxim Group
- Merrill Lynch Research
- Needham & Co.
- RBC Capital Markets (US)
- Sanford C Bernstein & Co., Inc.
- Shareholder Value Management
- Thomas Weisel Partners
- UBS Warburg

Wall Street Consensus vs. Performance

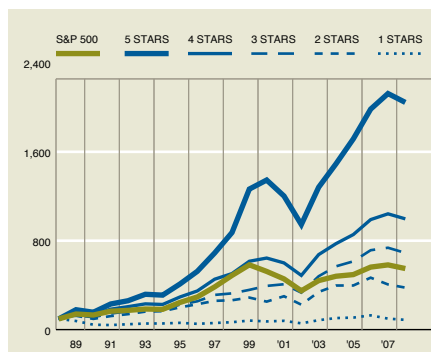
For fiscal year 2008, analysts estimate that GLW will earn \$1.93. For the 1st quarter of fiscal year 2008, GLW announced earnings per share of \$0.64, representing 33% of the total annual estimate. For fiscal year 2009, analysts estimate that GLW's earnings per share will grow by 5% to \$2.03.

Glossary

S&P STARS

Since January 1, 1987, Standard and Poor's Equity Research Services has ranked a universe of common stocks based on a given stock's potential for future performance. Under proprietary STARS (Stock Appreciation Ranking System), S&P equity analysts rank stocks according to their individual forecast of a stock's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350 Index or S&P 500 Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective.

STARS Average Annual Performance



S&P 12-Month Target Price

The S&P equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics.

Investment Style Classification

Characterizes the stock as Growth or Value, and indicates its capitalization level. Growth is evaluated along three dimensions (earnings, sales and internal growth), while Value is evaluated along four dimensions (book-to-price, cash flow-to-price, dividend yield and sale-to-price). Growth stocks score higher than the market average on growth dimensions and lower on value dimensions. The reverse is true for Value stocks. Certain stocks are classified as Blend, indicating a mixture of growth and value characteristics and cannot be classified as purely growth or value.

Qualitative Risk Assessment

The S&P equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment is a relative ranking to the S&P U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices.

Quantitative Evaluations

In contrast to our qualitative STARS recommendations, which are assigned by S&P analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

S&P Quality Ranking

Growth and stability of earnings and dividends are deemed key elements in establishing S&P's Quality Rankings for common stocks, which are designed to capsize the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+	Highest	B	Below Average
A	High	B-	Lower
A-	Above Average	C	Lowest
B+	Average	D	In Reorganization
NR	Not Ranked		

S&P Fair Value Rank

Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; 4-Stock is moderately undervalued; 3-Stock is fairly valued; 2-Stock is modestly overvalued; 1-Stock is significantly overvalued.

S&P Fair Value Calculation

The price at which a stock should trade at, according to S&P's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

Insider Activity

Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

Funds From Operations FFO

FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

Investability Quotient (IQ)

The IQ is a measure of investment desirability. It serves as an indicator of potential medium-to-long term return and as a caution against downside risk. The measure takes into account variables such as technical indicators, earnings estimates, liquidity, financial ratios and selected S&P proprietary measures.

S&P's IQ Rationale:

Corning Inc

	Raw Score	Max Value
Proprietary S&P Measures	76	115
Technical Indicators	21	40
Liquidity/Volatility Measures	15	20
Quantitative Measures	60	75
IQ Total	172	250

Volatility

Rates the volatility of the stock's price over the past year.

Technical Evaluation

In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

Relative Strength Rank

Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

Global Industry Classification Standard (GICS)

An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 67 Industries, and 147 Sub-Industries.

S&P Issuer Credit Rating

A Standard & Poor's Issuer Credit Rating is a current opinion of an obligor's overall financial capacity (its creditworthiness) to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation. The Issuer Credit Rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer Credit Ratings are based on current information furnished by obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any Issuer Credit Rating and may, on occasion, rely on unaudited financial information. Issuer Credit Ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

Exchange Type

ASE - American Stock Exchange; NNM - Nasdaq National Market; NSC - Nasdaq SmallCap; NYSE - New York Stock Exchange; BB - OTC Bulletin Board; OT - Over-the-Counter; TO - Toronto Stock Exchange.

S&P Equity Research Services

Standard & Poor's Equity Research Services U.S. includes Standard & Poor's Investment Advisory Services LLC; Standard & Poor's Equity Research Services Europe includes Standard & Poor's LLC-London and Standard & Poor's AB (Sweden); Standard & Poor's Equity Research Services Asia includes Standard & Poor's LLC's offices in Hong Kong, Singapore and Tokyo, Standard & Poor's Malaysia Sdn Bhd, and Standard & Poor's Information Services (Australia) Pty Ltd.

Corning Inc**Required Disclosures****S&P Global STARS Distribution**

In the U.S.: As of March 31, 2008, research analysts at Standard & Poor's Equity Research Services U.S. have recommended 34.2% of issuers with buy recommendations, 57.3% with hold recommendations and 8.5% with sell recommendations.

In Europe: As of March 31, 2008, research analysts at Standard & Poor's Equity Research Services Europe have recommended 47.0% of issuers with buy recommendations, 36.3% with hold recommendations and 16.7% with sell recommendations.

In Asia: As of March 31, 2008, research analysts at Standard & Poor's Equity Research Services Asia have recommended 50.4% of issuers with buy recommendations, 42.5% with hold recommendations and 7.1% with sell recommendations.

Globally: As of March 31, 2008, research analysts at Standard & Poor's Equity Research Services globally have recommended 37.1% of issuers with buy recommendations, 53.4% with hold recommendations and 9.5% with sell recommendations.

★★★★★ **5-STARS (Strong Buy):** Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★☆ **4-STARS (Buy):** Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

★★★☆☆ **3-STARS (Hold):** Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

★★☆☆☆ **2-STARS (Sell):** Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain.

★☆☆☆☆ **1-STARS (Strong Sell):** Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

Relevant benchmarks: In the U.S. the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are generally the S&P Europe 350 Index and the S&P Asia 50 Index.

For All Regions: All of the views expressed in this research report accurately reflect the research analyst's personal views regarding any and all of the subject securities or issuers. No part of analyst compensation was, is, or will be directly or indirectly, related to the specific recommendations or views expressed in this research report.

Additional information is available upon request.**Other Disclosures**

This report has been prepared and issued by Standard & Poor's and/or one of its affiliates. In the United States, research reports are prepared by Standard & Poor's Investment Advisory Services LLC ("SPIAS"). In the United States, research reports are issued by Standard & Poor's ("S&P"), in the United Kingdom by Standard & Poor's LLC ("S&P LLC"), which is authorized and regulated by the Financial Services Authority; in Hong Kong by Standard & Poor's LLC which is regulated by the Hong Kong Securities Futures Commission, in Singapore by Standard & Poor's LLC, which is regulated by the Monetary Authority of Singapore; in Japan by Standard & Poor's LLC, which is regulated by the Kanto Financial Bureau; in Sweden by Standard & Poor's AB ("S&P AB"), in Malaysia by Standard & Poor's Malaysia Sdn Bhd ("S&P M") which is regulated by the Securities Commission and in Australia by Standard & Poor's Information Services (Australia) Pty Ltd ("SPIS") which is regulated by the Australian Securities & Investments Commission; and in Korea by SPIAS, which is also registered in Korea as a cross-border investment advisory company.

The research and analytical services performed by SPIAS, S&P LLC, S&P AB, S&P M, and SPIS are each conducted separately from any other analytical activity of Standard & Poor's.

Standard & Poor's or an affiliate may license certain intellectual property or provide pricing or other services to, or otherwise have a financial interest in, certain issuers of securities, including exchange-traded investments whose investment objective is to substantially replicate the returns of a proprietary Standard & Poor's index, such as the S&P 500. In cases where Standard & Poor's or an affiliate is paid fees that are tied to the amount of assets that are invested in the fund or the volume of trading activity in the fund, investment in the fund will generally result in Standard & Poor's or an affiliate earning compensation in addition to the subscription fees or other compensation for services rendered by Standard & Poor's. A reference to a particular investment or security by Standard & Poor's and one of its affiliates is not a recommendation to buy, sell, or hold such investment or security, nor is it considered to be investment advice.

Standard & Poor's and its affiliates provide a wide range of services to, or relating to, many organizations, including issuers of securities, investment advisers, broker-dealers, investment banks, other financial institutions and financial intermediaries, and accordingly may receive fees or other economic benefits from those organizations, including organizations whose securities or services they may recommend, rate, include in model portfolios, evaluate or otherwise address.

S&P and/or one of its affiliates has performed services for and received compensation from this company during the past twelve months.

Disclaimers

This material is based upon information that we consider to be reliable, but neither S&P nor its affiliates warrant its completeness, accuracy or adequacy and it should not be relied upon as such. With respect to reports issued by S&P LLC-Japan and in the case of inconsistencies between the English and Japanese version of a report, the English version prevails. Neither S&P LLC nor S&P guarantees the accuracy of the translation. Assumptions, opinions and estimates constitute our judgment as of the date of this material and are subject to change without notice. Neither S&P nor its affiliates are responsible for any errors or omissions or for results obtained from the use of this information. Past performance is not necessarily indicative of future results.

This material is not intended as an offer or solicitation for the purchase or sale of any security or other financial instrument. Securities, financial instruments or strategies mentioned herein may not be suitable for all investors. Any opinions expressed herein are given in good faith, are subject to change without notice, and are only correct as of the stated date of their issue. Prices, values, or income from any securities or investments mentioned in this report may fall against the interests of the investor and the investor may get back less than the amount invested. Where an investment is described as being likely to yield income, please note that the amount of income that the investor will receive from such an investment may fluctuate. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. This material is not intended for any specific investor and does not take into account your particular investment objectives, financial situations or needs and is not intended as a recommendation of particular securities, financial instruments or strategies to you. Before acting on any recommendation in this material, you should consider whether it is suitable for your particular circumstances and, if necessary, seek professional advice.

For residents of the U.K. - this report is only directed at and should only be relied on by persons outside of the United Kingdom or persons who are inside the United Kingdom and who have professional experience in matters relating to investments or who are high net worth persons, as defined in Article 19(5) or Article 49(2) (a) to (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, respectively.

For residents of Malaysia, all queries in relation to this report should be referred to Alexander Chia, Desmond Ch'ng, or Ching Wah Tam.

This investment analysis was prepared from the following sources: S&P MarketScope, S&P Compustat, S&P Industry Reports, I/B/E/S International, Inc.; Standard & Poor's, 55 Water St., New York, NY 10041.