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CORNING INC /NY
Form 8-K
January 23, 2002

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report: (Date of earliest event reported) January 23, 2002

CORNING INCORPORATED
(Exact name of registrant as specified in its charter)

New York (State or other jurisdiction of incorporation)	1-3247 (Commission File Number)	16-0393470 (I.R.S. Employer Identification No.)
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One Riverfront Plaza, Corning, New York (Address of principal executive offices)	14831 (Zip Code)
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(607) 974-9000
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Item 5. Other Events

Item 7. Financial Statements

(c) Exhibits:

The Registrant's press release of January 23, 2002

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CORNING INCORPORATED
Registrant

Date: January 23, 2002 By /s/ KATHERINE A. ASBECK
Katherine A. Asbeck
Senior Vice President and Controller

FOR RELEASE -- JANUARY 23, 2002

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Corning Reports Fourth-Quarter Results

CORNING, N.Y. -- Corning Incorporated (NYSE:GLW) today reported a fourth-quarter pro forma net loss of \$261 million, or \$0.28 per share, down significantly from pro forma earnings of \$307 million, or \$0.33 per share, for the fourth quarter of 2000. The quarter results include pre-tax operating charges, announced last week, totaling \$178 million (\$109 million after-tax), or \$0.12 per share.

"Over the course of the second half of 2001, we took a series of tough restructuring actions that improved our competitive position," John W. Loose, Corning's president and chief executive officer, said. "We lowered inventories significantly, reduced our capital expenditures, resized our organization through the elimination of 12,000 positions and idled and closed a number of manufacturing operations. We are focused on returning Corning to profitability," Loose said.

Fourth-quarter Operating Results

Fourth-quarter sales were \$974 million, less than half of the \$2.1 billion

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reported in the fourth-quarter of 2000. Sales and earnings declines were led by the Telecommunications segment, which reported sales declines of 65% versus last year and operated at a loss for the quarter. Optical fiber and cable sales decreased significantly as demand for optical fiber was extremely weak in the quarter. This prompted significant slowdowns in cable manufacturing operations and the idling of most of the company's fiber manufacturing facilities in November and December. The company announced earlier this month that it is recalling some workers to resume manufacturing operations in its fiber production facilities beginning this week.

(more)

Corning Reports Fourth-Quarter Results
Page Two

Weak global economic conditions also impacted Corning's other businesses. Fourth-quarter sales and earnings of Corning's Advanced Materials segment declined due primarily to weak sales in its environmental and semiconductor businesses. The Information Display segment also recorded lower sales and earnings in the fourth-quarter driven primarily by weakness in its conventional television business.

With these fourth-quarter results, pro forma earnings per share for the full year were \$0.17, compared with \$1.22 per share in 2000. Sales for the full year totaled \$6.3 billion, a decrease of 12% compared with \$7.1 billion in 2000.

The company ended the year with \$2.2 billion in cash and continues to have additional liquidity with \$2 billion of committed and unused revolving credit lines.

Restructuring Actions

In the fourth quarter, Corning recorded a pre-tax charge of \$614 million (\$363 after-tax and minority interest) related to restructuring actions which were part of the previously announced program totaling \$961 million for the year. Approximately one third of the total charges for the program will be paid in cash. Corning expects to realize annualized savings from the program of approximately \$400 million.

Fourth-Quarter and Calendar Year Results

With the charges for restructuring actions and amortization of goodwill, Corning's net loss for the quarter was \$655 million, or \$0.69 per share, compared with a net loss of \$58 million, or \$0.08 per share, from continuing operations for the fourth quarter of 2000.

Including charges for restructuring actions, amortization of goodwill, and the second-quarter impairment of goodwill and intangible assets, Corning reported a full-year 2001 loss of \$5.5 billion, or \$5.89 per share, compared to net income from continuing operations of \$409 million, or \$0.46 per share in 2000.

Outlook

James B. Flaws, Corning's chief financial officer, said, "While we continue to experience weakness in demand across our telecommunications businesses, we are beginning to sense a settling in the market that suggests we may see improved

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demand in the second half of this year." He also said the company will not provide guidance for its 2002 financial performance at this time, but it will discuss its expectations for the first quarter of 2002 at its investor meeting on February 8, 2002 at the Plaza Hotel in New York City and simultaneously via audio webcast.

(more)

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"This past year was extremely challenging for everyone in the telecommunications industry," Loose said. "At Corning, we believe in our optical layer strategy and will continue to invest in and build a product and business portfolio which will make us an even stronger player in the optical networking market. We are also excited about a number of emerging technologies in our Advanced Materials segment and we believe our liquid crystal display business is poised for a strong year," Loose said.

Conference Call Information

The company will host a conference call at 8:30 a.m. EST on Thursday, January 24, 2002. To access the call, dial 312-470-0014. The password is Corning. The leader is Dietz. A replay of the call will begin at approximately 10:30 a.m. and will run through 5:00 p.m. EST on Wednesday, February 6, 2002. To access the replay, dial 402-220-3523; a password is not required. To listen to a live audio webcast of the call, go to http://www.corning.com/investor_relations/ and follow the instructions. The webcast will be archived on the http://www.corning.com/investor_relations/ site for 14 days following the call.

Pro Forma Statement

Pro forma net income excludes impairment and amortization of goodwill, restructuring actions, purchased in-process research and development, one-time acquisition costs, discontinued operations and other non-recurring items.

About Corning Incorporated

Established in 1851, Corning Incorporated (www.corning.com) creates leading-edge technologies for the fastest-growing markets of the world's economy. Corning manufactures optical fiber, cable and photonic products for the telecommunications industry; and high-performance displays and components for television, information technology and other communications-related industries. The company also uses advanced materials to manufacture products for scientific, semiconductor and environmental markets.

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Forward-Looking and Cautionary Statements

This press release contains forward-looking statements that involve a variety of business risks and other uncertainties that could cause actual results to differ materially. These risks and uncertainties include the possibility of changes or fluctuations in global economic conditions; currency exchange rates; product demand and industry capacity; competitive products and pricing; availability and

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costs of critical components and materials; new product development and commercialization; order activity and demand from major customers; capital spending by larger customers in the telecommunications industry and other business segments; the mix of sales between premium and non-premium products; possible disruption in commercial activities due to terrorist activity and armed conflict; ability to obtain financing and capital on commercially reasonable terms; acquisition and divestiture activities; the level of excess or obsolete inventory; the ability to enforce patents; product and components performance issues; and litigation. These and other risk factors are identified in Corning's filings with the Securities and Exchange Commission. Forward-looking statements speak only as of the day that they are made, and Corning undertakes no obligation to update them in light of new information or future events.

Corning Incorporated and Subsidiary Companies
 Pro Forma Consolidated Statements of Income
 Excluding Impairment and Amortization of Goodwill, Restructuring Actions,
 Purchased In-Process Research and Development, Acquisition-Related Costs and
 Non-Recurring Items
 (Unaudited, in millions, except per share amounts)

	For the three months ended December 31,	
	2001	2000
Net sales	\$ 974	\$ 2,084
Cost of sales	942	1,201
	32	883
Gross margin		
Operating Expenses		
Selling, general and administrative expenses	298	333
Research, development and engineering expenses	147	169
Amortization of intangible assets	40	15
	(453)	366
Operating (loss) income		
Interest income	18	50
Interest expense	(48)	(29)
Other income (expense), net	1	2
	(482)	389
(Loss) income before income taxes		
(Benefit) provision for income taxes	(181)	124
	(301)	265
(Loss) income before minority interest and equity earnings		
Minority interest in losses (earnings) of subsidiaries	11	(7)
Equity in earnings of associated companies	29	49

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Pro Forma Net (Loss) Income	\$ (261)	\$ 307	\$
	=====	=====	=====
Pro Forma Basic (Loss) Earnings Per Share	\$ (0.28)	\$ 0.34	\$
	=====	=====	=====
Pro Forma Diluted (Loss) Earnings Per Share	\$ (0.28)	\$ 0.33	\$
	=====	=====	=====
Dividends Declared		\$ 0.06	\$
	=====	=====	=====
Shares used in computing pro forma per share amounts:			
Pro forma basic earnings per share	944	901	
	=====	=====	=====
Pro forma diluted earnings per share	944	944	
	=====	=====	=====

The above pro forma amounts for the quarter ended December 31, 2001 have been adjusted to eliminate \$35 million (\$31 million after-tax) of amortization of goodwill and \$614 million (\$363 million after-tax and minority interest) of provision for impairment and restructuring.

The above pro forma amounts for the quarter ended December 31, 2000 have been adjusted to eliminate \$86 million (\$66 million after-tax) of amortization of goodwill, \$323 million of in-process research and development charges, \$11 million after-tax for a nonoperating gain included in equity earnings, and \$13 million after-tax of income from discontinued operations.

The above pro forma amounts for the year ended December 31, 2001 have been adjusted to eliminate \$363 million (\$344 million after-tax) of amortization of goodwill and \$5,725 million (\$5,311 million after-tax and minority interest) of provision for impairment and restructuring.

The above pro forma amounts for the year ended December 31, 2000 have been adjusted to eliminate \$216 million (\$202 million after-tax) of amortization of goodwill, \$416 million (\$400 million after-tax) of in-process research and development charges, \$47 million (\$43 million after-tax) of transaction costs from the Oak acquisition, \$36 million after-tax for the impairment of the entire equity investment in Pittsburgh Corning Corporation, \$7 million (\$4 million after-tax) for a nonoperating gain related to the sale of Quanterra Incorporated, \$11 million after-tax for a nonoperating gain included in equity earnings, and \$13 million after-tax of income from discontinued operations.

Pro Forma

Corning Incorporated and Subsidiary Companies
Condensed Consolidated Statements of Income
(Unaudited, in millions, except per share amounts)

For the three months ended
December 31,

For

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	2001	2000	2001
Net sales	\$ 974	\$ 2,084	\$ 6,2
Cost of sales	942	1,201	4,3
Gross margin	32	883	1,8
Operating Expenses			
Selling, general and administrative expenses	298	333	1,0
Research, development and engineering expenses	147	169	6
Amortization of purchased intangibles, including goodwill	75	101	4
Acquisition-related charges		323	
Provision for impairment and restructuring	614		5,7
Operating (loss) income	(1,102)	(43)	(6,0)
Interest income	18	50	
Interest expense	(48)	(29)	(1
Other income (expense), net	1	2	(
Nonoperating gain			
(Loss) income before income taxes	(1,131)	(20)	(6,1
(Benefit) provision for income taxes	(423)	104	(4
(Loss) income before minority interest and equity earnings	(708)	(124)	(5,6
Minority interest in losses (earnings) of subsidiaries	24	(7)	
Equity in earnings of associated companies	29	60	1
Impairment of equity investment			
(Loss) income from continuing operations	(655)	(71)	(5,4
Income from discontinued operations		13	
Net (Loss) Income	\$ (655)	\$ (58)	\$ (5,4
Basic (Loss) Earnings Per Share			
Continuing operations	\$ (0.69)	\$ (0.08)	\$ (5.
Discontinued operations		0.02	
Net (Loss) Income	\$ (0.69)	\$ (0.06)	\$ (5.
Diluted (Loss) Earnings Per Share			
Continuing operations	\$ (0.69)	\$ (0.08)	\$ (5.
Discontinued operations		0.02	
Net (Loss) Income	\$ (0.69)	\$ (0.06)	\$ (5.
Dividends Declared		\$ 0.06	\$ 0.

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	=====	=====	=====
Shares used in computing per share amounts:			
Basic earnings per share	944	901	9
	=====	=====	=====
Diluted earnings per share	944	901	9
	=====	=====	=====

The accompanying notes are an integral part of these statements.

Corning Incorporated and Subsidiary Companies
Condensed Consolidated Balance Sheets
(Unaudited, in millions)

	December 31, 2001

Assets	
Current Assets	
Cash and short-term investments	\$ 2,219
Trade accounts receivable, net	593
Inventories	725
Deferred taxes on income and other current assets	570

Total current assets	4,107
Investments	778
Plant and equipment, net	5,097
Goodwill and other intangible assets, net	2,289
Other assets	522

Total Assets	\$ 12,793
	=====
Liabilities and Shareholders' Equity	
Current Liabilities	
Loans payable	\$ 477
Accounts payable	441
Other accrued liabilities	1,076

Total current liabilities	1,994
Long-term debt	4,461
Other liabilities	798
Minority interest in subsidiary companies	119
Convertible preferred stock	7
Common shareholders' equity	5,414

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Total Liabilities and Shareholders' Equity

\$ 12,793

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The accompanying notes are an integral part of these statements. Certain amounts for 2000 have been reclassified to conform with 2001 classifications.

Corning Incorporated and Subsidiary Companies
Consolidated Statements of Cash Flows
(Unaudited; in millions)

	For the three months ended December 31,	
	2001	2000
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	\$ (655)	\$ (58)
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss from discontinued operations		(13)
Amortization of purchased intangibles, including goodwill	75	101
Depreciation	165	142
Impairment of goodwill and intangible assets		
Provisions for restructuring actions, net of cash spent	559	
Provisions for inventory write-off	60	
Acquisition-related charges		323
Impairment of equity investment		
Equity in earnings of associated companies in excess of dividends received	(36)	(47)
Minority interest, net of dividends paid	(24)	1
Deferred tax (benefit) expense	(274)	51
Tax benefit on stock options		30
Interest expense on convertible debentures	11	
Changes in certain working capital items	239	(57)
Other, net	101	72
	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	221	545
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(268)	(549)
Acquisitions of businesses, net of cash acquired		(3,748)
Net proceeds from sale of assets	18	23
Net increase in long-term investments and other noncurrent assets	(20)	(89)
Transaction costs related to pooling of interests		
Other, net	4	5
	-----	-----
NET CASH USED IN INVESTING ACTIVITIES	(266)	(4,358)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		

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Net proceeds from (repayments of) short-term debt	45	(9)
Proceeds from issuance of long-term debt	665	2,032
Repayments of long-term debt	(11)	(2)
Proceeds from issuance of common stock	1	2,400
Redemption of common stock for income tax withholding	(17)	(2)
Dividends paid	(1)	(55)
	-----	-----
NET CASH PROVIDED BY FINANCING ACTIVITIES	682	4,364
	-----	-----
Effect of exchange rates on cash	(13)	5
	-----	-----
Cash used in discontinued operations		
	-----	-----
Net increase in cash and cash equivalents	624	556
Cash and cash equivalents at beginning of quarter/year	1,595	1,238
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF QUARTER	\$ 2,219	\$ 1,794
	=====	=====

The accompanying notes are an integral part of these statements. Certain amounts for 2000 have been reclassified to conform with 2001 classifications.

Corning Incorporated and Subsidiary Companies
Notes to Consolidated Financial Statements
Quarter 4, 2001
(Unaudited; in millions, except per share amounts)

- (1) Information by Operating Segment Information about the performance of Corning's three operating segments for the fourth quarter and year ended December 31, 2001 and 2000 are presented below. These amounts exclude revenues, expenses and equity earnings not specifically identifiable to segments. Segment net income excludes impairment and amortization of goodwill, restructuring actions, purchased in-process research and development costs, one-time acquisition costs and other nonrecurring items. This measure is not in accordance with generally accepted accounting principles (GAAP) and may not be consistent with measures used by other companies.

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. During the quarter ended March 31, 2001, Corning realigned one product line from the Advanced Materials segment into the Telecommunications segment. Effective in the fourth quarter of 2001, and as reported on Form 8-K filed on January 14, 2002, Corning retroactively revised its segment net income definition to include the amortization of intangible assets. Segment results for 2000 have been restated to conform to the current presentation.

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	Three months ended December 31,	
	2001	2000
Telecommunications		
Net sales	\$ 543	\$ 1,564
Research, development and engineering expenses	\$ 108	\$ 128
Interest expense	\$ 32	\$ 20
Segment (losses) earnings before minority interest and equity (losses) earnings	\$ (277)	\$ 204
Minority interest in losses of subsidiaries		
Equity in earnings (losses) of associated companies	(3)	4
Segment net (loss) income	\$ (280)	\$ 208
Advanced Materials		
Net sales	\$ 226	\$ 257
Research, development and engineering expenses	\$ 33	\$ 30
Interest expense	\$ 8	\$ 3
Segment (losses) earnings before equity earnings	\$ (20)	\$ 3
Equity in earnings of associated companies	8	5
Segment net (loss) income	\$ (12)	\$ 8
Information Display		
Net sales	\$ 198	\$ 254
Research, development and engineering expenses	\$ 9	\$ 11
Interest expense	\$ 7	\$ 6
Segment (losses) earnings before minority interest and equity earnings	\$ (13)	\$ 26
Minority interest in losses (earnings) of subsidiaries	11	(7)
Equity in earnings of associated companies	24	38
Segment net income	\$ 22	\$ 57
Total segments		
Net sales	\$ 967	\$ 2,075
Research, development and engineering expenses	\$ 150	\$ 169
Interest expense	\$ 47	\$ 29
Segment (losses) earnings before minority interest and equity earnings	\$ (310)	\$ 233
Minority interest in losses (earnings) of subsidiaries	11	(7)
Equity in earnings of associated companies	29	47
Segment net (loss) income	\$ (270)	\$ 273

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

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	Three months ended December 31,		
	2001	2000	
Net sales			
Total segment net sales	\$ 967	\$ 2,075	\$ 6
Non-segment net sales (a)	7	9	
	-----	-----	-----
Total net sales	\$ 974	\$ 2,084	\$ 6
	=====	=====	=====
Net income			
Total segment income (b)	\$ (270)	\$ 273	\$
Unallocated items:			
Non-segment loss and other (a)	(1)	(1)	
Nonoperating gain			
Amortization of goodwill (c)	(35)	(86)	
Acquisition-related charges		(323)	
Provisions for impairment and restructuring (d)	(614)		(5)
Interest income (e)	18	50	
Income tax (f)	247	4	
Equity in earnings of associated companies (a)		1	
Impairment of equity investment			
Nonoperating gain in equity earnings		11	
	-----	-----	-----
Net (loss) income	\$ (655)	\$ (71)	\$ (5)
	=====	=====	=====

- (a) Includes amounts derived from corporate investments.
- (b) Includes royalty, interest and dividend income.
- (c) Amortization of goodwill relates primarily to the Telecommunications segment.
- (d) Provisions for impairment and restructuring. See Note 2 and Note 5.
- (e) Corporate interest income is not allocated to reportable segments.
- (f) Includes tax associated with unallocated items.

(2) Restructuring Actions

During the fourth quarter, Corning approved and began executing plans to close additional facilities and downsize its workforce in an effort to reduce capacity to meet future expected revenue levels. As a result of these actions, Corning recorded a charge of \$614 million (\$363 million after-tax and minority interest) which includes a restructuring charge of \$308 million and a charge to impair plant and equipment of \$306 million. Corning has recorded \$961 million (\$590 million after-tax and minority interest) for restructuring actions in 2001.

Restructuring Charges

During the fourth quarter, Corning recorded restructuring charges of \$308 million. The charge includes employee separation costs of \$245 million (including curtailment losses related to pension and health care plans) and exit costs of \$63 million (principally lease termination and contract cancellation payments). The plans comprehend the elimination of an

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additional 4,000 positions worldwide for a total of approximately 12,000 announced in 2001. Employees have been informed of the restructuring initiatives and benefits available to them under applicable benefit plans or related contractual provisions. These benefits include voluntary and involuntary separation, early retirement and social programs. During the fourth quarter Corning paid employee related separation costs of \$48 million and other exit costs of \$14 million. For the full year Corning recorded charges of \$324 million and \$95 million and paid \$60 million and \$17 million respectively, for employee related separation and exit costs. As of December 31, 2001, approximately 10,100 of the 12,000 employees had been separated under the plans.

Impairment of Plant and Equipment

Corning recorded a fourth quarter charge of \$306 million to impair plant and equipment relating to facilities to be shutdown or disposed across all three operating segments. The impairment charges were determined based on the amount by which the carrying value exceeded the fair market value of the asset. For the full year Corning recorded impairment charges totaling \$542 million related to plant and equipment, primarily in the telecommunications operating segment.

The charges relate to the operating segments as follows:

	Restructuring Actions	
	Three months ended December 31, 2001	Year ended December 31, 2001
Telecommunications	\$ 293	\$ 640
Advanced Materials	94	94
Information Display	36	36
Corporate functions including Research	191	191
	\$ 614	\$ 961

(3) Provisions for Inventory Write-Off

During the second quarter, major customers in the photonic technologies business reduced their order forecasts and canceled orders already placed. As a result, management determined that certain products were not likely to be sold in their product life cycle. Corning recorded a provision for excess and obsolete inventory, including estimated purchase commitments, of \$273 million (\$184 million after-tax) in cost of sales in the second quarter of 2001. In the fourth quarter, Corning recorded an additional provision of \$60 million (\$37 million after-tax) in cost of sales primarily for excess and obsolete inventory in the photonic technologies business in response to continued weak demand.

(4) Stock Compensation

In the fourth quarter, Corning's Board of Directors released restrictions

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on 4.8 million shares of Corning common stock held by employees. The unamortized expense associated with the grants totaled \$90 million. This charge is included in selling, general and administrative expense.

(5) **Impairment of Goodwill and Other Intangible Assets**

During the first half of 2001, Corning experienced a significant decrease in the rate of growth of its telecommunications segment, primarily in the photonic technologies business, due to a dramatic decline in infrastructure spending in the telecommunications industry. During the second quarter, major customers in the photonic technologies business further reduced their order forecasts and canceled orders already placed. Management determined that the growth prospects of this business are significantly less than previously expected and those of historical periods.

As a result of these events and changes in circumstances, Corning assessed the recoverability of certain long-lived assets related to the photonic technologies business, including goodwill and other intangibles, and concluded that these assets were impaired. Corning recorded a charge equal to the difference between the carrying value and fair value of these assets. Management's estimate of fair value was based on multiples of forecasted revenue and earnings of publicly traded companies with operations in the optical component market segment.

Corning recorded pre-tax charges of \$4.7 billion to impair a significant portion of the goodwill and approximately \$100 million to impair intangible assets associated with certain business combinations completed in 2000. Of the total charge of \$4.8 billion, \$3.2 billion related to the acquisition of the Pirelli optical components business and \$1.6 billion related to goodwill resulting from the acquisition of NetOptix Corporation.

(6) **(Benefit) Provision for Income Taxes**

Corning's tax rates for the fourth quarter and the full year 2001 were 37.4% and 7.4%, respectively. The full year rate is significantly impacted by nondeductible amortization of goodwill and other one-time charges. Excluding the impact of these items, the fourth quarter tax rate was 37.5%. The comparable rate for the fourth quarter 2000 was 32%. The fourth quarter of 2001 rate reflects certain one-time benefits attributable to the period.

(7) **Financing Transaction**

In November 2001, Corning completed a convertible debt offering of \$665 million due November 1, 2008 and convertible into approximately 69 million shares of common stock. Each \$1,000 debenture was issued at par and pays interest of 3.5% semiannually. The proceeds will be used for general corporate purposes.

(8) **Supplementary Cash Flow Data**

Supplemental disclosure of cash flow information is as follows:

Three months ended December 31,		Year Dece
2001	2000	2001
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Changes in certain working capital items:

Accounts receivable	\$ 293	\$ (43)	\$ 677
Inventories	147	(81)	(51)
Other current assets	(35)	(165)	92
Accounts payable and other current liabilities	(166)	232	(477)
	-----	-----	-----
Total	\$ 239	\$ (57)	\$ 241
	=====	=====	=====

Corning Incorporated
Quarterly Sales Information
(in millions)

	2001			
	Q1	Q2	Q3	Q4
	-----	-----	-----	-----
Telecommunications				
Fiber and Cable	\$ 875	\$ 939	\$ 779	\$
Hardware and Equipment	248	231	187	
Photonic Technologies	236	158	69	
Optical Networking Devices	14	10	7	
Controls and Connectors	60	55	47	
	-----	-----	-----	-----
Segment net sales	\$ 1,433	\$ 1,393	\$ 1,089	\$
	=====	=====	=====	=====
Advanced Materials				
Environmental	\$ 108	\$ 96	\$ 90	\$
Life Sciences	70	69	65	
Other Advanced Materials	104	86	79	
	-----	-----	-----	-----
Segment net sales	\$ 282	\$ 251	\$ 234	\$
	=====	=====	=====	=====
Information Display				
Display Technologies	\$ 62	\$ 87	\$ 79	\$
Conventional Video Components	86	73	47	
Precision Lens	53	58	57	
	-----	-----	-----	-----
Segment net sales	\$ 201	\$ 218	\$ 183	\$
	=====	=====	=====	=====

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	2000			
	Q1	Q2	Q3	Q4
Telecommunications				
Fiber and Cable	\$ 479	\$ 722	\$ 795	\$
Hardware and Equipment	183	276	288	
Photonic Technologies	186	238	273	
Optical Networking Devices			5	
Controls and Connectors	57	59	61	
Segment net sales	\$ 905	\$ 1,295	\$ 1,422	\$ 1,422
Advanced Materials				
Environmental	\$ 103	\$ 103	\$ 101	\$
Life Sciences	63	66	62	
Other Advanced Materials	86	90	90	
Segment net sales	\$ 252	\$ 259	\$ 253	\$ 253
Information Display				
Display Technologies	\$ 61	\$ 76	\$ 88	\$
Conventional Video Components	83	87	94	
Precision Lens	44	53	54	
Segment net sales	\$ 188	\$ 216	\$ 236	\$ 236