

CORNING INC /NY
Form 10-Q
July 29, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2011

OR

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

For the transition period from _____ to _____

Commission file number: 1-3247

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

New York
(State or other jurisdiction of incorporation or organization)

16-0393470
(I.R.S. Employer Identification No.)

One Riverfront Plaza, Corning, New York
(Address of principal executive offices)

14831
(Zip Code)

607-974-9000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

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Non-accelerated filer

Smaller reporting
company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes

No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of July 15, 2011
Corning's Common Stock, \$0.50 par value per share	1,571,122,671 shares

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CORNING INCORPORATED AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited; in millions, except per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
Net sales	\$ 2,005	\$ 1,712	\$ 3,928	\$ 3,265
Cost of sales	1,116	885	2,165	1,707
Gross margin	889	827	1,763	1,558
Operating expenses:				
Selling, general and administrative expenses	284	246	534	481
Research, development and engineering expenses	172	144	328	289
Amortization of purchased intangibles	4	2	7	4
Restructuring, impairment and other credits (Note 2)				(2)
Asbestos litigation charge (credit) (Note 3)	5	5	10	(47)
Operating income	424	430	884	833
Equity in earnings of affiliated companies (Note 9)	428	474	826	943
Interest income	5	2	9	5
Interest expense	(22)	(26)	(49)	(52)
Other income, net (Note 1)	43	64	70	128
Income before income taxes	878	944	1,740	1,857
Provision for income taxes (Note 5)	(123)	(31)	(237)	(128)
Net income attributable to Corning Incorporated	\$ 755	\$ 913	\$ 1,503	\$ 1,729
Earnings per common share attributable to Corning Incorporated:				
Basic (Note 6)	\$ 0.48	\$ 0.59	\$ 0.96	\$ 1.11
Diluted (Note 6)	\$ 0.47	\$ 0.58	\$ 0.95	\$ 1.09
Dividends declared per common share	\$ 0.05	\$ 0.05	\$ 0.10	\$ 0.10

The accompanying notes are an integral part of these consolidated financial statements.

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CORNING INCORPORATED AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited; in millions, except per share amounts)

	June 30, 2011	December 31, 2010
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,609	\$ 4,598
Short-term investments, at fair value (Note 7)	1,748	1,752
Total cash, cash equivalents and short-term investments	6,357	6,350
Trade accounts receivable, net of doubtful accounts and allowances - \$24 and \$20	1,252	973
Inventories (Note 8)	917	738
Deferred income taxes (Note 5)	439	431
Other current assets	364	367
Total current assets	9,329	8,859
Investments (Note 9)	5,029	4,372
Property, net of accumulated depreciation - \$6,824 and \$6,420 (Note 10)	9,755	8,943
Goodwill and other intangible assets, net (Note 11)	883	716
Deferred income taxes (Note 5)	2,679	2,790