

# News Release

FOR RELEASE — JULY 26, 2017

## Corning Reports Strong Second-Quarter Results

*Strategy and Capital Allocation Framework continues to deliver value to shareholders*

**CORNING, N.Y.** — Corning Incorporated (NYSE: GLW) today announced results for second-quarter 2017.

### News Summary:

- Excellent second-quarter results demonstrate the company's continued positive momentum: GAAP and core sales both up 6% year over year to \$2.5 billion and \$2.6 billion respectively; both GAAP and core EPS were \$0.42 for the second quarter and both were up sequentially
- Strong business-segment performance: year-over-year sales increases of 13% in Optical Communications and 27% in Specialty Materials; Display Technologies' sequential glass price declines moderated further and glass volume was up as expected
- Company remains on track to deliver full-year business objectives and Strategy and Capital Allocation Framework goals
- Ongoing progress on Strategy and Capital Allocation Framework initiatives:
  - Returned \$7.4 billion to shareholders since October 2015, while investing for sustained leadership and growth
  - Focused and cohesive portfolio continues to create significant value for shareholders and delight customers, including recent introduction of [Corning Valor™ Glass](#), a revolutionary new pharmaceutical glass packaging solution

“We are very pleased with our first-half performance and we remain on track to achieve our Strategy and Capital Allocation Framework goals,” Wendell P. Weeks, chairman, chief executive officer and president, said. “Our focused and cohesive portfolio continues to deliver innovative solutions that help our customers address their toughest challenges. Corning Valor™ Glass, a remarkable pharmaceutical packaging solution that helps protect patients and improves pharmaceutical manufacturing, is a great example of how we work with industry leaders like Merck and Pfizer to create breakthrough innovations.”

### Strategy and Capital Allocation Framework Progress

Corning's Strategy and Capital Allocation Framework defines the company's leadership priorities through 2019. The Framework is designed to create significant value for shareholders by focusing the company's portfolio and leveraging its financial strength. Corning has made significant progress on its goal to return more than \$12.5 billion to shareholders through 2019. In the second quarter, the company returned nearly \$800 million through dividends and share buybacks. Since the Framework was announced in October 2015, the company has returned \$7.4 billion to shareholders. Corning is also investing approximately \$10 billion in growth and sustained leadership.

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“Corning creates value by inventing category-defining products, developing scalable manufacturing platforms, and building strong, trust-based relationships with customers who are leaders in their industries,” Weeks said. “In addition to the announcement of Corning Valor™ Glass packaging with Merck and Pfizer last week, Verizon and Apple also announced important collaborations with us during the second quarter. These votes of confidence underscore how vital Corning’s capabilities are to our customers’ ecosystems, which bodes well for our future growth.”

### Second-Quarter 2017 Results and Comparisons (In millions, except per-share amounts)

	Q2 2017	Q1 2017	% change	Q2 2016	% change
GAAP Net Sales	\$ 2,497	\$ 2,375	5%	\$ 2,360	6%
GAAP Net Income*	\$ 439	\$ 86	410%	\$ 2,207	(80%)
GAAP EPS*	\$ 0.42	\$ 0.07	500%	\$ 1.87	(78%)
Core Sales**	\$ 2,590	\$ 2,485	4%	\$ 2,440	6%
Core Earnings**	\$ 431	\$ 407	6%	\$ 434	(1%)
Core EPS**	\$ 0.42	\$ 0.39	8%	\$ 0.37	14%

\*Second-quarter 2016 GAAP Net Income and EPS included a one-time \$2.7 billion non-taxable gain on strategic realignment of Dow Corning.

\*\*Core performance measures are non-GAAP financial measures. The reconciliation between GAAP and non-GAAP measures is provided in the tables following this news release, as well as on the company’s website. Core performance metrics (non-GAAP) are adjusted to exclude the impact of changes in Japanese yen and Korean won foreign exchange rates, as well as other items that do not reflect ongoing operations of the company. Corning does not forecast the movement of the Japanese yen against the U.S. dollar or other items that do not reflect ongoing operations. As a result, the company is unable to provide guidance on a GAAP basis. See “Use of Non-GAAP Financial Measures” for details on core performance measures.

### Segment Results and Outlook

#### Display Technologies:

	Q2 2017	Q1 2017	% change	Q2 2016	% change
GAAP Net Sales	\$ 748	\$ 736	2%	\$ 801	(7%)
GAAP Net Income	\$ 211	\$ 249	(15%)	\$ 204	3%
Core Sales**	\$ 841	\$ 846	(1%)	\$ 880	(4%)
Core Earnings**	\$ 240	\$ 256	(6%)	\$ 237	1%

NOTE: In all segments except the Display Technologies segment, core net sales are consistent with GAAP net sales. Because a significant portion of Display Technologies’ sales are denominated in Japanese yen, this segment’s net sales are adjusted to remove the impact of translating yen into U.S. dollars.

In the second quarter, Display Technologies reported strong results, with core sales of \$841 million and core earnings of \$240 million. Compared with the first quarter, the LCD glass market and Corning’s volume were up by a low-single digit percentage. LCD glass prices declined moderately, and substantially less than the first quarter.

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In the third quarter, the overall LCD glass market and Corning's volume are expected to increase by a low single-digit percentage sequentially. Sequential glass price declines should be moderate and similar to the second-quarter sequential decline.

"For the year, we anticipate glass demand will be up by a mid-single digit percentage, in line with the overall market. We expect glass prices to decline 10% or less this year," Tony Tripeny, senior vice president and chief financial officer, said.

### Optical Communications:

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	Q2	Q1	%	Q2	%
	2017	2017	change	2016	change
GAAP Net Sales	\$ 882	\$ 818	8%	\$ 782	13%
GAAP Net Income	\$ 101	\$ 82	23%	\$ 77	31%
Core Earnings**	\$ 108	\$ 93	16%	\$ 86	26%

Optical Communications sales in the second quarter rose 13% year over year. The increase was driven by continued strong demand in the North American fiber-to-the-home market. In the third quarter, sales are expected to be up more than 10% on a year-over-year basis.

### Environmental Technologies:

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	Q2	Q1	%	Q2	%
	2017	2017	change	2016	change
GAAP Net Sales	\$ 263	\$ 275	(4%)	\$ 259	2%
GAAP Net Income	\$ 32	\$ 31	3%	\$ 37	(14%)
Core Earnings**	\$ 32	\$ 37	(14%)	\$ 37	(14%)

In Environmental Technologies, second-quarter sales increased 2% year over year, led by worldwide growth in the auto market and additional business wins. For the third quarter, sales are expected to increase by a low single-digit percentage compared to the same period a year ago.

### Specialty Materials:

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	Q2	Q1	%	Q2	%
	2017	2017	change	2016	change
GAAP Net Sales	\$ 337	\$ 300	12%	\$ 266	27%
GAAP Net Income	\$ 56	\$ 48	17%	\$ 38	47%
Core Earnings**	\$ 58	\$ 48	21%	\$ 48	21%

Specialty Materials second-quarter segment sales rose 27% year over year, led by stronger Gorilla Glass shipments. For the third quarter, the sales growth rate is expected to increase by a low-to-mid teen percentage.

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### Life Sciences:

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	Q2	Q1	%	Q2	%
	2017	2017	change	2016	change
GAAP Net Sales	\$ 221	\$ 210	5%	\$ 215	3%
GAAP Net Income	\$ 14	\$ 17	(18%)	\$ 17	(18%)
Core Earnings**	\$ 19	\$ 20	(5%)	\$ 21	(10%)

In Life Sciences, second-quarter sales increased \$6 million on a year-over-year basis. For the third quarter, sales are expected to grow by a low single-digit percentage on a year-over-year basis.

### Conclusion

“Our strong first-half performance gives us confidence that we will meet our full-year business objectives,” Tripeny said. “Our portfolio includes five very powerful market-access platforms and we are beating our competition in each. Our commitment to innovation and lowest-cost manufacturing gives us a significant competitive edge. And we continue to demonstrate that we are successfully leveraging our strong customer relationships across all of our platforms.”

### Upcoming Investor Events

Corning will attend the Jeffries 2017 Semiconductor, Hardware and Communications Infrastructure Summit on Aug. 30 in Chicago, and the 2017 Citi Global Technology Conference on Sept. 7 in New York City.

### Second-Quarter Conference Call Information

The company will host a second-quarter conference call on Wednesday, July 26, at 8:30 a.m. EDT. To participate, please call toll free (800) 230-1074 or for international access call (612) 288-0329 approximately 10-15 minutes prior to the start of the call. The host is “NICHOLSON”. To listen to a live audio webcast of the call, go to Corning’s website at [www.corning.com/investor\\_relations](http://www.corning.com/investor_relations), click “Events” and follow the instructions. A replay will be available beginning at 11 a.m. EDT and will run through 5 p.m. EDT, Wednesday, August 9, 2017. To listen, dial (800) 475-6701 or for international access dial (320) 365-3844. The access code is 426629. The webcast will be archived for one year following the call.

### Presentation of Information in this News Release

Non-GAAP financial measures are not in accordance with, or an alternative to, GAAP. Corning’s non-GAAP financial measures exclude the impact of items that are driven by general economic conditions and events that do not reflect the underlying fundamentals and trends in the company’s operations. The company believes presenting non-GAAP financial measures assists in analyzing financial performance without the impact of items that may obscure trends in the company’s underlying performance. Detailed reconciliations outlining the differences between these non-GAAP measures and the most directly comparable GAAP measure can be found on the company’s website by going to the Investor Relations page and clicking “[Financial Highlights](#)” under the “Performance” tab. These reconciliations also accompany this news release.

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### Caution Concerning Forward-Looking Statements

This press release contains "forward-looking statements" – that is, statements related to future events that by their nature address matters that are, to different degrees, uncertain. These forward-looking statements relate to, among other things, the company's future operating performance, the company's share of new and existing markets, the company's revenue and earnings growth rates, the company's ability to innovate and commercialize new products, and the company's implementation of cost-reduction initiatives and measures to improve pricing, including the optimization of the company's manufacturing capacity.

In this context, forward-looking statements often contain words such as "will," "believe," "anticipate," "expect," "intend," "plan," "seek," "see," "would," and "target". Although the company believes that these forward-looking statements are based upon reasonable assumptions regarding, among other things, current estimates and forecasts, general economic conditions, its knowledge of its business, and key performance indicators that impact the company, actual results could differ materially. The company does not undertake to update forward-looking statements. Some of the risks, uncertainties and other factors that could cause actual results to differ materially from those expressed in or implied by the forward-looking statements include, but are not limited to: competitive products and pricing; availability and costs of critical components and materials; new product development and commercialization; order activity and demand from major customers; unanticipated disruption to equipment, facilities, or operations; facility expansions and new plant start-up costs; our ability to pace capital spending to anticipated levels of customer demand; the amount and timing of our cash flows and earnings and other conditions, which may affect our ability to pay our quarterly dividend at the planned level or to repurchase shares at planned levels; our capital allocation plans, as such plans may change including with respect to the timing and size of share repurchases, acquisitions, joint ventures, dispositions and other strategic actions; and the effectiveness of our risk management framework.

For a complete listing of risks and other factors, please reference the risk factors and forward-looking statements described in the annual reports on Form 10-K and quarterly reports on Form 10-Q.

### Digital Media Disclosure

In accordance with guidance provided by the SEC regarding the use of company websites and social media channels to disclose material information, Corning Incorporated ("Corning") wishes to notify investors, media, and other interested parties that it intends to use its website (<http://www.corning.com/worldwide/en/about-us/news-events.html>) to publish important information about the company, including information that may be deemed material to investors. The list of websites and social media channels that the company uses may be updated on Corning's media and website from time to time. Corning encourages investors, media, and other interested parties to review the information Corning may publish through its website and social media channels as described above, in addition to the company's SEC filings, press releases, conference calls, and webcasts.

### About Corning Incorporated

Corning ([www.corning.com](http://www.corning.com)) is one of the world's leading innovators in materials science, with a 166-year track record of life-changing inventions. Corning applies its unparalleled expertise in glass science, ceramics science, and optical physics along with its deep manufacturing and engineering capabilities to develop category-defining products that

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transform industries and enhance people's lives. Corning succeeds through sustained investment in RD&E, a unique combination of material and process innovation, and deep, trust-based relationships with customers who are global leaders in their industries.

Corning's capabilities are versatile and synergistic, which allows the company to evolve to meet changing market needs, while also helping our customers capture new opportunities in dynamic industries. Today, Corning's markets include optical communications, mobile consumer electronics, display technology, automotive, and life sciences vessels. Corning's industry-leading products include damage-resistant cover glass for mobile devices; precision glass for advanced displays; optical fiber, wireless technologies, and connectivity solutions for state-of-the-art communications networks; trusted products to accelerate drug discovery and delivery; and clean-air technologies for cars and trucks.

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