

# News Release

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## Corning Reports Third-Quarter 2017 Results

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

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

### News Summary:

- Third-quarter results reflect continued success of the Strategy and Capital Allocation Framework: Year-over-year GAAP and core sales up 4% and 6%, to \$2.6 billion and \$2.7 billion, respectively; GAAP and core EPS were \$0.39 and \$0.43 respectively for the third quarter, both up year over year
- Strong business-segment performance highlighted by year-over-year sales increases of 15% in Optical Communications and 26% in Specialty Materials; sales in all business segments ahead of management expectations
- Ongoing progress in focusing the company’s portfolio and utilizing its financial strength to extend leadership, drive growth, and reward shareholders keeps company on track to deliver Strategy and Capital Allocation Framework goals
  - Returned \$8.5 billion to shareholders since October 2015 while investing for sustained leadership and growth
  - Reached milestone of 1 billion kilometers of optical fiber sales; shipped first commercial sales of gasoline particulate filters (GPFs); strong adoption of Corning® Gorilla® Glass innovations

“We had an excellent third quarter,” Wendell P. Weeks, chairman, chief executive officer and president, said. “We are outperforming on sales, seeing the first returns on near-term growth investments, and making great progress on our longer-term growth initiatives. We expect to maintain this momentum and fully achieve our Strategy and Capital Allocation Framework goals.”

### 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 continued to make significant progress on its goals to return more than \$12.5 billion to shareholders, and to invest approximately \$10 billion in growth and sustained leadership.

“In addition to articulating our capital allocation goals, our Framework outlines how we utilize our focused and cohesive portfolio to generate value,” said Weeks. “Optical Communications provides a great example. We combine our three core technologies and four manufacturing and engineering platforms to deliver unique solutions. As a result, we are

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growing at more than twice the rate of the telecommunications industry, with global leaders turning to us in support of their visions.

“During the quarter we achieved an exciting milestone – 1 billion fiber kilometers sold. We see this as a true measure of success in leveraging our portfolio for more than 40 years to lead the world in optical communications,” Weeks continued. “And, as optical solutions penetrate further into the network, we are investing because we know that the opportunities ahead of us are even greater than those behind us.”

Other third-quarter progress included: strong adoption of our Gorilla Glass innovations; first commercial sales of gasoline particulate filters; continued adoption of Gorilla Glass for Automotive; and additional traction for Corning Valor™ pharmaceutical glass packaging.

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

	Q3 2017	Q2 2017	% change	Q3 2016	% change
GAAP Net Sales	\$ 2,607	\$ 2,497	4%	\$ 2,507	4%
GAAP Net Income	\$ 390	\$ 439	(11%)	\$ 284	37%
GAAP EPS	\$ 0.39	\$ 0.42	(7%)	\$ 0.26	50%
Core Sales*	\$ 2,700	\$ 2,590	4%	\$ 2,548	6%
Core Earnings*	\$ 433	\$ 431	0%	\$ 466	(7%)
Core EPS*	\$ 0.43	\$ 0.42	2%	\$ 0.42	2%

\*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 South 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 foreign currencies 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:

	Q3 2017	Q2 2017	% change	Q3 2016	% change
GAAP Net Sales	\$ 768	\$ 748	3%	\$ 902	(15%)
GAAP Net Income	\$ 203	\$ 211	(4%)	\$ 279	(27%)
Core Sales*	\$ 860	\$ 841	2%	\$ 943	(9%)
Core Earnings*	\$ 227	\$ 240	(5%)	\$ 270	(16%)

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

In the third quarter, Display Technologies reported core sales of \$860 million and core earnings of \$227 million. The LCD glass market and Corning's volume were slightly better than expected. Sequential LCD glass prices declined moderately, as expected. For the fourth quarter, the LCD glass market and Corning volume are expected to be consistent with the previous quarter, and sequential glass price declines should remain moderate.

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### Optical Communications:

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	Q3 2017	Q2 2017	% change	Q3 2016	% change
GAAP Net Sales	\$ 917	\$ 882	4%	\$ 795	15%
GAAP Net Income	\$ 102	\$ 101	1%	\$ 84	21%
Core Earnings*	\$ 111	\$ 108	3%	\$ 98	13%

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Optical Communications sales in the third quarter rose 15% year over year. The increase was driven by strong demand for both enterprise and carrier products. In the fourth quarter, the sales growth rate is expected to be a high single digit percentage on a year-over-year basis.

### Environmental Technologies:

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	Q3 2017	Q2 2017	% change	Q3 2016	% change
GAAP Net Sales	\$ 277	\$ 263	5%	\$ 264	5%
GAAP Net Income	\$ 34	\$ 32	6%	\$ 35	(3%)
Core Earnings*	\$ 34	\$ 32	6%	\$ 35	(3%)

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In Environmental Technologies, third-quarter sales were up 5% year over year, led by worldwide automotive market growth and additional business wins that allow Corning to grow faster than the market. For the fourth quarter, the sales growth rate is expected to be a low-teens percentage compared to the same period a year ago.

### Specialty Materials:

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	Q3 2017	Q2 2017	% change	Q3 2016	% change
GAAP Net Sales	\$ 373	\$ 337	11%	\$ 295	26%
GAAP Net Income	\$ 72	\$ 56	29%	\$ 42	71%
Core Earnings*	\$ 71	\$ 58	22%	\$ 44	61%

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Specialty Materials third-quarter segment sales rose 26% year over year, led by stronger Gorilla Glass shipments. For the fourth quarter, the sales growth rate is expected to increase by a low-to mid-teens percentage from a very strong 2016 fourth quarter.

### Life Sciences:

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	Q3 2017	Q2 2017	% change	Q3 2016	% change
GAAP Net Sales	\$ 223	\$ 221	1%	\$ 214	4%
GAAP Net Income	\$ 17	\$ 14	21%	\$ 16	6%
Core Earnings*	\$ 21	\$ 19	11%	\$ 21	—

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In Life Sciences, third-quarter sales rose 4% on a year-over-year basis. For the fourth quarter, sales are expected to grow by a mid-single digit percentage on a year-over-year basis.

### Outlook

“Year-to-date achievements and fourth-quarter expectations are strong. We anticipate that every business segment will meet or beat the plan we set in January due to strong operating performance and early sales from our near-term growth investments,” said Tony Tripeny, senior vice president and chief financial officer.

“Additionally, we are capitalizing on trends in multiple industries that are well aligned with our core capabilities. These opportunities will drive long-term growth, and we are investing accordingly,” he continued. “We remain on track to deliver our Framework goals.”

### Third-Quarter Conference Call Information

The company will host a third-quarter conference call on Tues., Oct. 24, at 8:30 a.m. EDT. To participate, please call toll free (877) 260-8896 or for international access call (612) 332-0632 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. EST, Tues., Nov. 7, 2017. To listen, dial (800) 475-6701 or for international access dial (320) 365-3844. The access code is 430834. 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.

### 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

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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 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

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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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