

News Release

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Corning Reports First-Quarter 2018 Financial Results and Continued Progress on Strategy and Capital Allocation Framework

Company reaffirms outlook for strong 2018

CORNING, N.Y. — Corning Incorporated (NYSE: GLW) today announced results for its first-quarter 2018 ended March 31, 2018.

News Summary:

- First-quarter results provide a solid start to an expected strong 2018
 - GAAP and core sales of \$2.5 billion, up 5% and 4% respectively year over year
 - GAAP loss per share of \$0.72 reflected a non-cash, mark-to-market loss associated with the company’s currency-hedging contracts
 - Core EPS of \$0.31
- Expectations for a strong 2018 unchanged; on track to reach approximately \$11 billion in full-year sales as investments pay off with second-half capacity and margin expansion
 - Continued growth expected in Optical Communications, Specialty Materials, Environmental Technologies and Life Sciences segments
 - Display pricing environment best in a decade; expect to reach important milestone as annual price declines improve to a mid-single-digit percentage in 2018
- Continued progress on Strategy and Capital Allocation Framework
 - Returned \$953 million to shareholders in first-quarter 2018, for a total of \$10 billion since the Framework’s introduction
 - Investing to position businesses to meet short- and long-term sales growth opportunities

“Our first-quarter results provide a strong start to 2018, and mark important progress in the continuing execution of our Strategy and Capital Allocation Framework,” said Wendell P. Weeks, chairman, chief executive officer, and president. “We continue to run at full capacity in several of our businesses and have multiple capacity-expansion initiatives underway to support committed customer demand. As production ramps, the benefits of these initiatives are expected to contribute to accelerating sales and profit growth in the second half of 2018.”

Strategy and Capital Allocation Framework Progress

“Corning’s progress on all Framework objectives remains excellent,” Weeks continued. “We are on track to deliver both near- and long-term growth.”

Corning’s Framework outlines the company’s 2016-2019 leadership priorities. Under the Framework, Corning plans to deliver more than \$12.5 billion to shareholders while investing \$10 billion in growth opportunities. Since it was announced in October 2015, the company has returned \$10 billion to shareholders, including \$953 million in the first quarter.

Highlights of first-quarter progress include customer and platform wins as well as new product- and market-development advancements. For example, Corning:

- Announced a new high-volume manufacturing facility in Durham County, North Carolina, to produce Corning Valor™ Glass, a revolutionary pharmaceutical packaging solution; progress supported by Merck & Co., Pfizer Inc., and other customers
- Introduced significant new products for hyperscale data center and carrier environments:
 - Rocket Ribbon™ extreme density cable enables up to 30% faster installation and more capacity in the same duct space vs. other high-density ribbon cables
 - TXF™ fiber, demonstrated with British Telecom and Infinera to prove superiority for 400G transmission and the ability to deliver up to 55 terabits per second per fiber
- Continued adding value to mobile consumer electronic devices through glass and component innovation:
 - Thirteen mobile devices with Corning® Gorilla® Glass introduced at Mobile World Congress, including five with Gorilla Glass 5 on both front and back
 - Vibrant® Gorilla Glass wins with Acer (Swift 3 notebook) and Motorola (Style Shell Moto Mods, which are swappable back covers for Moto Z smartphones)
- Won additional gasoline particulate filter (GPF) platforms, accelerating Corning's market leadership in this important new technology
- Announced a company record 563 patents issued in 2017; augmenting Corning's leadership in glass, ceramics, and optical physics innovation

Corning is investing across its market-access platforms to capture short- and long-term sales growth opportunities:

- Reaching \$5 billion in sales by 2020 in Optical Communications
- Doubling sales over the next several years in Mobile Consumer Electronics
- Maintaining stable returns and winning new categories in Display
- Building a \$500 million GPF business and creating a new glass business in Automotive
- Growing the base and creating a significant pharmaceutical packaging business in Life Sciences Vessels.

Tony Tripeny, senior vice president and chief financial officer, noted: "As we have communicated previously, Corning is in a phase of our Strategy and Capital Allocation Framework in which we are investing intensely for long-term secular growth. Execution is on target, and several of our larger expansion projects are coming on line. We look forward to realizing significant sales and profitability benefits as this new capacity ramps during the second half of the year."

First-Quarter 2018 Results and Comparisons
(In millions, except per-share amounts)

	Q1 2018	Q4 2017	% change	Q1 2017	% change
GAAP Net Sales	\$ 2,500	\$ 2,637	(5%)	\$ 2,375	5%
GAAP Net (Loss) Income	\$ (589)	\$ (1,412)	58%	\$ 86	nm
GAAP EPS	\$ (0.72)	\$ (1.66)	57%	\$ 0.07	nm
Core Sales	\$ 2,513	\$ 2,675	(6%)	\$ 2,421	4%
Core Earnings	\$ 299	\$ 455	(34%)	\$ 376	(20%)
Core EPS	\$ 0.31	\$ 0.46	(33%)	\$ 0.36	(14%)

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. Beginning in the first quarter of 2018, Corning changed its GAAP measurement of segment sales and segment net income, and has recast prior periods presented based on this new methodology. See "[Corning Provides Recast of 2017 GAAP Segment Data](#)" for details.

Segment Results and Outlook

Display Technologies:

	Q1 2018	Q4 2017	% change	Q1 2017	% change
Net Sales	\$ 745	\$ 783	(5%)	\$ 782	(5%)
Net Income Before Tax	\$ 234	\$ 263	(11%)	\$ 310	(25%)
Net Income	\$ 185	\$ 208	(11%)	\$ 245	(24%)

First-quarter Display Technologies net sales were \$745 million and net income was \$185 million. In the first quarter, LCD glass volume declined by a low-single digit percentage sequentially, in line with the market and normal seasonality.

The first-quarter Display Technologies sequential price decline was the most favorable since 2010. The improvements in LCD glass pricing are expected to continue throughout 2018, reaching an important milestone as annual price declines improve to a mid-single-digit percentage.

For full-year 2018, Corning expects the LCD glass market volume growth to be in the mid-single digit percentages, as television screen size growth continues. The company expects Corning's volume to grow faster than the market as Corning ramps production in tandem with BOE's Gen 10.5 demand in Hefei, China.

Optical Communications:

	Q1 2018	Q4 2017	% change	Q1 2017	% change
Net Sales	\$ 886	\$ 928	(5%)	\$ 818	8%
Net Income Before Tax	143	130	10%	145	(1%)
Net Income	\$ 109	\$ 99	10%	\$ 110	(1%)

Optical Communications first-quarter 2018 net sales were up 8% to \$886 million, and net income was consistent with last year's first quarter. Sales growth was driven by data center and carrier businesses.

For full-year 2018, Optical Communications sales are expected to increase by about 10% over last year, excluding any contribution from the pending acquisition of 3M's Communications Markets Division.

Specialty Materials:

	Q1 2018	Q4 2017	% change	Q1 2017	% change
Net Sales	\$ 278	\$ 393	(29%)	\$ 300	(7%)
Net Income Before Tax	58	111	(48%)	72	(19%)
Net Income	\$ 46	\$ 88	(48%)	\$ 57	(19%)

Specialty Materials first-quarter 2018 net sales were \$278 million and net income was \$46 million.

The company expects year-over-year sales growth for Specialty Materials in 2018, with the rate dependent on customer adoption of Corning's innovations, including the next generation of Corning® Gorilla® Glass, which remains on track for launch during the second half of 2018.

Environmental Technologies:

	Q1 2018	Q4 2017	% change	Q1 2017	% change
Net Sales	\$ 322	\$ 291	11%	\$ 275	17%
Net Income Before Tax	66	54	22%	56	18%
Net Income	\$ 52	\$ 43	21%	\$ 44	18%

Environmental Technologies first-quarter 2018 net sales were up 17% to \$322 million, and net income was up 18% to \$52 million, compared with last year's first quarter. Growth was driven by continued strength in the automotive market, ongoing improvements in the heavy-duty diesel market, and the ramp of the GPF business.

For full-year 2018, Environmental Technologies sales are expected to increase by about 10% over last year.

Life Sciences:

	Q1 2018	Q4 2017	% change	Q1 2017	% change
Net Sales	\$ 232	\$ 225	3%	\$ 210	10%
Net Income Before Tax	34	30	13%	30	13%
Net Income	\$ 27	\$ 24	13%	\$ 24	13%

In Life Sciences, first-quarter 2018 net sales were up 10%, and net income was up 13%, as the business continued to outpace market growth. For full-year 2018, sales are expected to grow by a mid-single-digit percentage.

Upcoming Investor Events

Corning will hold its annual meeting of shareholders at the Corning Museum of Glass auditorium on Thursday, April 26, 2018, at 11 a.m. EDT. A live audio webcast will be available the day of the event. To access the audio webcast, please go to Corning's investor relations website at investor.corning.com, click "[Events and Presentations](#)" under the "News and Events" tab and select the annual shareholder meeting.

On May 16, Corning will attend the 46th Annual J.P. Morgan Global Technology, Media and Communications Conference in Boston. And on May 31, Corning will attend Bernstein's 34th Annual Strategic Decisions Conference in New York City.

First-Quarter Conference Call Information

The company will host its first-quarter conference call on Tuesday, April 24, 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 investor relations website at investor.corning.com, click "[Events and Presentations](#)" under the "News and Events" tab and select the first-quarter conference call. A webcast replay will be available 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 Corning's investor relations website at investor.corning.com, and clicking "[Quarterly Results](#)" under the "Financials" tab. These reconciliations also accompany this news release.

Caution Concerning Forward-Looking Statements

This press release contains "forward-looking statements" (within the meaning of the Private Securities Litigation Reform Act of 1995), which are based on current expectations and assumptions about Corning's financial results and business operations, that involve substantial risks and uncertainties that could cause actual results to differ materially. These risks and uncertainties include: the effect of global business, financial, economic and political conditions; tariffs and import duties; currency fluctuations between the U.S. dollar and other currencies, primarily the Japanese yen, New Taiwan dollar, euro, Chinese yuan, and South Korean won; product demand and industry capacity; competitive products and pricing; availability and costs of critical components and materials; new product development and commercialization; order activity and demand from major customers; 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; possible disruption in commercial activities due to terrorist activity, cyber-attack, armed conflict, political or financial instability, natural disasters, or major health concerns; unanticipated disruption to equipment, facilities, IT systems or operations; effect of regulatory and legal developments; ability to pace capital spending to anticipated levels of customer demand; rate of technology change; ability

to enforce patents and protect intellectual property and trade secrets; adverse litigation; product and components performance issues; retention of key personnel; customer ability, most notably in the Display Technologies segment, to maintain profitable operations and obtain financing to fund their ongoing operations and manufacturing expansions and pay their receivables when due; loss of significant customers; changes in tax laws and regulations including the Tax Cuts and Jobs Act of 2017; and the potential impact of legislation, government regulations, and other government action and investigations.

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

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 uses 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, or supplemental to information contained in this or other press releases. 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) is one of the world's leading innovators in materials science, with a more than 165-year track record of life-changing inventions. Corning applies its unparalleled expertise in glass science, ceramic 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 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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