

Corning's 3Q profit rises 3 percent

26 October 2011, By BEN DOBBIN , AP Business Writer

(AP) -- Specialty glass maker Corning Inc. said Wednesday its profit rose 3 percent in the third quarter, lifted by surging sales of glass for flat-panel televisions and optical fiber.

The results handily beat Wall Street expectations. Its shares rose more than 6 percent in premarket trading.

The world's largest maker of liquid-crystal-display glass reported net income of \$811 million, or 51 cents per share, in the July-September period. That's up from \$785 million, or 50 cents per share, a year earlier.

Excluding special items, earnings were 51 cents per share. That was well above [Wall Street expectations](#) of 42 cents per share.

Revenue jumped 30 percent to \$2.08 billion from \$1.6 billion. Analysts expected \$2.03 billion.

Its shares rose 91 cents, or 6.6 percent, to \$14.63 in premarket trading.

Sales of LCD glass jumped 26 percent in the quarter to \$815 million, and sales of the telecommunications unit rose 21 percent to \$560 million. Corning also saw growth in its other three business units - cover glass, auto-pollution filters and research labware.

Corning commands more than 60 percent of the global market in LCD glass, which is its biggest business by far.

A soft economy has been cutting into U.S. demand for flat-screen televisions and, as a result, the glass Corning makes. But the company did better in glass production this summer than it projected in early September.

Volume in its wholly owned business increased in the mid-single digits compared with the second quarter and fell more than 20 percent in its joint venture with South Korea's [Samsung Electronics](#).

The combined total glass volume fell about 10 percent sequentially.

Corning had warned that it expected volume in its wholly owned business to be level with the second quarter and volume in its joint venture to dip 30 percent.

Propelled by ultra-strong Gorilla glass, which is now migrating from handheld and tablet devices to high-end TVs, specialty materials revenue swelled almost 90 percent to \$299 million.

Three months ago, Corning lowered its 2011 sales forecast for Gorilla to \$800 million from \$1 billion. Invented in 1962, Gorilla found commercial use only in 2008 and sales surged to \$250 million in 2010.

Environmental technologies revenue jumped 19 percent to \$247 million, driven by robust demand for auto-pollution filters.

Life-sciences revenue rose 22 percent to \$153 million, reflecting Corning's acquisition of Axygen BioScience Inc. as it shifts beyond a heavy focus on display [glass](#). It bought the maker of plastic labware and liquid handling products for research labs for about \$400 million in September 2009.

Surging revenue in Corning's telecommunications unit was driven by a more than 30 percent increase in higher demand for fiber-to-the-home products in North America and Europe.

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