



## HTC reports 2014 first-quarter results

May 6, 2014

- 1.Date of occurrence of the event:2014/05/06
- 2.Company name: HTC Corporation
- 3.Relationship to the Company (please enter "head office" or "subsidiaries"):Head Office
- 4.Reciprocal shareholding ratios: N/A
- 5.Name of the reporting media: N/A
- 6.Content of the report: N/A
- 7.Cause of occurrence:

HTC posted quarterly revenue of NT\$33.1 billion and a quarterly net loss of NT\$1.88 billion, or -NT\$2.28 per share. Gross margin was 21.0 percent and operating margin was -6.2 percent.

HTC continued to build its brand and generate awareness in major markets. Volume of buzz and brand momentum both increased globally in March leading up to and following the launch of the HTC One (M8). Since its introduction, the HTC One (M8) has garnered widespread acclaim from experts, partners and customers, with an average customer review score of 4.8 out of 5 across major carriers. It was available for immediate online purchase in many major markets, including the United States and the United Kingdom.

HTC One (M8) features all-new HTC Sense 6, boasts a high quality metal unibody, Duo Camera, and further-improved HTC Boom Sound. HTC Desire 816 distills design elements from the HTC One family, making it one of the best value lines of smartphones ever introduced by HTC and raising the bar for the mid-tier segment. The HTC Desire 816 immediately garnered accolades, including "Best Mid-Range Phone" from Android Authority.

Acknowledging the strength and staying power of HTC's existing offerings, the GSMA, the leading mobile industry trade group, named the HTC One (M7) its "Smartphone of the Year" at the 2014 Mobile World Congress in Barcelona. Additionally, the HTC One (M7) was awarded the prestigious iF Gold Award for product design.

"We are thrilled to see such positive customer response from around the world towards HTC One, which inspired us to make the best even better." said Peter Chou, HTC's CEO. "Now, we not only have an incredible flagship product HTC One (M8), but also a much more optimized product portfolio including powerful mid-tier phones, innovative accessory offerings (like the HTC Dot), and more."

"In order to maximize the success of our critically acclaimed HTC One (M8), we have dramatically improved our operational efficiency and supply chain readiness to ensure immediate availability on the launch day. Looking ahead, we are excited about the many new opportunities from the rapid development of TD-LTE in China and LTE in Taiwan. We believe that we are on course for a strong 2014."

For the first time, the HTC One (M8) was launched with all four major carriers in the US. The momentum was further supported by the launch of an exclusive HTC One (M8) Harman Kardon Edition in partnership with Sprint, demonstrating strong carrier support and HTC's best-in-class mobile audio technology.

EMEA sales remained solid, largely due to a successful launch of HTC One (M8), as well as continuous momentum from in-life products including the HTC One (M7), HTC One mini and HTC Desire 500.

Similarly in China and India, both HTC One (M8) and HTC Desire 816 have demonstrated strong momentum. HTC Desire 816, in particular, has successfully positioned as an unparalleled mid-tier flagship and received overwhelming consumer response in both markets. It is now starting to roll out to additional markets. In Taiwan, the HTC One (M8) has dominated the market since launch.

8.Countermeasures:None

9.Any other matters that need to be specified: None