



HTC reports 2014 second-quarter results

July 31, 2014

- 1.Date of occurrence of the event:2014/07/31
- 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:
Quarterly revenue of NT\$65.1 billion
Quarterly net profit of NT\$2.3 billion, or NT\$2.74 per share
Gross margin of 22.2 percent and operating margin of 3.7 percent.

HTC's return to profitability has been driven by the sales momentum of its HTC One (M8), HTC One mini 2 and Desire 816 products around the world. In the United States, HTC One (M8) continues to impress the market with availability through all four major operators, while across Europe the HTC One mini 2 has extended the best-in-class HTC One (M8) experience in a more compact format. The HTC Desire franchise also experienced significant gains, led by the success of Desire 816.

"As is demonstrated by this quarter's results, we have continued to improve all aspects of our business, while building on the incredible excitement around our current line of products," said Peter Chou, HTC's CEO. "This profitable quarter is a positive step that is the result of having focused on delivering the best possible smartphone to the world, in the HTC One (M8) and expanding our offerings with the HTC One mini 2 and our Desire line."

The HTC One (M8) and Desire 816 continued to dominate in Taiwan, and for the first time, HTC ranked #1 in both unit share and value share. Overall sales momentum was sound in China and India, as a result of a well-catered product portfolio to the very fast-growing market.

HTC's superior design and engineering capabilities continue to impress, with the HTC One (M8) and HTC Dot View case once again claiming the Gold Medal in Design and Innovation at the Computex d&i awards in June, organized by the Taiwan External Trade Development Council (TAITRA) and iF (International Forum Design).

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