

HTC REPORTS FIRST QUARTER 2017 RESULTS

Taipei, Taiwan – May 9, 2017 – HTC Corporation (TWSE: 2498), a global leader in innovation and design, today announced consolidated results for its fiscal 2017 first quarter ended March 31, 2017.

Key figures:

- Quarterly revenue of NT\$14.5 billion with gross margin of 16.3%
- Quarterly operating loss of NT\$2.4 billion with operating margin of -16.2%
- Quarterly net loss after tax: NT\$2.0 billion, or -NT\$2.47 per share

HTC's program of realigning resources and streamlining processes continued to reap benefits, recording an opex saving of 20% over the quarter and quarterly gross margin at 16.3%, while maintaining its signature high levels of innovation and quality design and manufacture.

All of HTC's business units demonstrated their innovation prowess in Q1 2017, earning recognition for new product developments.

The HTC smartphone division saw the launch of HTC U Ultra and U Play premium smartphones in January. Featuring a 3D 'liquid surface', adaptive audio that develops a profile of the user's ear to tailor sound output, and AI technology in HTC Sense Companion, the HTC U smartphones paved the way for the flagship launch in mid-May.

HTC's VIVE VR division launched the VIVE Tracker™ at CES in January to critical acclaim, with high demand from developers around the world as it enables the easy integration of a new class of accessories into different VR experiences, expanding the ecosystem. The VIVE Tracker won three awards at CES, demonstrating recognition of HTC's efforts to expand the VR ecosystem. The Deluxe Audio Strap, also launched at CES, is a premium accessory to the HTC VIVE headset, easy to adjust and with fitted earphones.

Finally, as part of the Dynamical Biomarkers Group, the HTC Health research team were awarded first finalist in the prestigious Qualcomm Tricorder XPRIZE to build a comprehensive medical diagnostics device for use in regions with sparse healthcare facilities. Working with Dr. Peng of Harvard Medical School and Taiwan's National Central University, and leveraging HTC's skills in precision engineering, system integration, user experience, and scalable machine learning, the group beat several teams to reach the final stage.

"The pursuit of brilliance continues to be our driving inspiration in everything we do," said Cher Wang, Chairwoman and CEO of HTC. "With renewed focus and clear processes in place, our design and engineering teams have been reinvigorated, positioning us well to build on last year's breakthrough year of innovation."

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Quarterly Results Conference Call and Webcast

The webcast of the Q1'17 quarterly results conference call may be accessed at:
<http://edge.media-server.com/m/p/22eep9ye>

HTC provides live streaming of its quarterly financial results conference call in English; to receive an alert for future calls please sign up at:

<http://investors.htc.com/phoenix.zhtml?c=148697&p=irol-calendar>

HTC investor information may be accessed at:

<http://investors.htc.com/phoenix.zhtml?c=148697&p=irol-irhome>

About HTC

HTC Corporation aims to bring brilliance to life. As a global innovator in smart mobile devices and virtual reality devices and technology, HTC has produced award-winning products and industry firsts since its inception in 1997, including the critically acclaimed HTC One, U and Desire lines of premium smartphones and flagship smartphones, and is now leading the VR industry with the VIVE portfolio. The pursuit of brilliance is at the heart of everything we do, inspiring best-in-class design and game-changing mobile and virtual reality experiences for consumers around the world. HTC is listed on the Taiwan Stock Exchange (TWSE: 2498). www.htc.com

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IR / Finance & Accounting Division

Melinda Wu

Investor Relations

Email: melinda_wu@htc.com

Tel: +886-3-375-3252 Ext. 33127

Global Marketing Division

Kitty Chung

Sr. Manager, Corp. PR – Executive Affairs

Email: kitty_chung@htc.com

Mobile: +886-905-098-295

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