

HTC REPORTS SECOND QUARTER 2017 RESULTS

Taipei, Taiwan – August 11, 2017 – HTC Corporation (TWSE: 2498), a global leader in innovation and design, today announced consolidated results for its fiscal 2017 second quarter ended June 30, 2017.

Key figures:

- Quarterly revenue of NT\$16.1 billion with gross margin of 13.7%
- Quarterly operating loss of NT\$2.2 billion with operating margin of -13.6%
- Quarterly net loss after tax: NT\$1.95 billion, or -NT\$2.37 per share

HTC saw a robust second quarter, recording an 11% sequential increase in quarterly revenues, boosted by sales of the new flagship smartphone, the HTC U11, that started shipping in May and immediately topped the list of Android flagship phones in Taiwan. There was also a 6.5% saving in the operating expenses over the quarter due to the continued streamlining of processes and realignment of resources across the Company.

HTC remained firmly focused on innovation and execution throughout the quarter, with May seeing the launch of the flagship phone, the HTC U11. Its revolutionary HTC Edge Sense technology is the most natural and intuitive squeeze interface for taking photos, sending messages or opening apps, while the 'liquid glass' surface has been widely acclaimed.

The HTC U11 is also the first smartphone in the world to feature hands-free wake word access to Amazon's Alexa voice-activated assistant, making it easy to control smart home products and ask for information. While the Amazon Alexa service is currently available in the US, the UK and Germany, HTC is also working with Baidu DuerOS to create a similar voice-activated service for China.

HTC's VIVE virtual reality division gained considerable endorsement over the quarter, with key industry players such as Google, Intel and Apple aligning themselves with Vive and collaborating to drive the ecosystem forward. At their I/O event, Google announced HTC as a key partner to develop a Standalone VR headset running on Google Daydream. A partnership with Intel was announced at Computex to make a WiGig wireless accessory for Vive, while in June, Apple showcased high-end VR at their WWDC event, with a Vive demo running on their new macOS High Sierra.

The VIVE platform received a further boost with the launch of 'Star Trek: Bridge Crew', by far the most well-known and popular AAA franchise to enter the VR world to date, and an excellent example of multiple player interaction within VR.

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Quarterly Results Information

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 U, One and Desire lines of premium and flagship smartphones, and leads 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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