

HTC REPORTS FOURTH QUARTER 2016 RESULTS

Taipei, Taiwan – February 14, 2017 – HTC Corporation (TWSE: 2498), a global leader in innovation and design, today announced consolidated results for its fiscal 2016 fourth quarter ended December 31, 2016.

Key figures:

- Quarterly revenue of NT\$22.2 billion with gross margin of 10.5%
- Quarterly operating loss of NT\$3.6 billion with operating margin of -16.0%
- Quarterly net loss after tax: NT\$3.1 billion, or -NT\$3.77 per share

HTC saw robust sales performance over the fourth quarter, with quarterly revenue improving sequentially over 2016, while operating expenditure has been aggressively managed through enhanced resource realignment to deliver a 34% cost reduction over the year.

The fourth quarter saw the global launch of the HTC 10 evo in November, featuring the unique HTC BoomSound™ Adaptive Audio, the world's first USB Type-C dual adaptive earphones that tailors sound to the user's ear, and an all-metal unibody that is IP57-rated as water, splash, and dust resistant. The HTC Desire 10 pro and lifestyle edition phones, launched in September, also entered select markets this quarter and have been well received.

HTC continues to build the virtual reality ecosystem around its HTC VIVE virtual reality system, with a number of events in the fourth quarter underlining the growing reach of the Vive platform.

- HTC continued its expansion of consumer and enterprise sales channels for HTC VIVE, including working with key partners to open the first VIVE-based arcade in Taipei, VIVELAND, providing a new B2B2C usage model for Vive hardware and new revenue streams for content developers.
- The VIVE X accelerator program held its first demo days in Beijing, Taipei and San Francisco, attracting top venture capital funds to consider a wide range of VR applications and tools that will help expand the world of virtual reality.
- VIVE Studios brought its first in-house gaming title, Arcade Saga, to market to wide acclaim, while collaborating with Time-Life Inc. on the poignant 'Remembering Pearl Harbor' app, highlighting how VR can bring history to life and evoke greater empathy for society challenges.

"I am pleased with the overall performance over the past year, with innovation triumphing in all of our focus product areas, widely recognised among customers and media alike, while we continue to enhance efficiencies across all key processes," said Cher Wang, Chairwoman and CEO of HTC. "We have learned much from our entrance into the world of virtual reality, and we believe our focused approach to building the ecosystem is the right strategy to enable the whole industry to expand through the creation of compelling content and rich experiences, and that our HTC VIVE is at the forefront of that market."

Quarterly Results Conference Call and Webcast

The webcast of the Q4'16 quarterly results conference call may be accessed at:
<http://edge.media-server.com/m/p/xkcjhjfh>

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 technology, HTC has produced award-winning products and industry firsts since its inception in 1997, including the critically acclaimed HTC One and Desire lines of smartphones. 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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