

HTC REPORTS THIRD QUARTER 2016 RESULTS

Taipei, Taiwan – October 25, 2016 – HTC Corporation (TWSE: 2498), a global leader in innovation and design, today announced consolidated results for its fiscal 2016 third quarter ended September 30, 2016.

Key figures:

- Quarterly revenue of NT\$22.2 billion with gross margin of 16.1%
- Quarterly operating loss of NT\$2.0 billion with operating margin of -9.0%
- Quarterly net loss after tax: NT\$1.8 billion, or -NT\$2.18 per share

HTC reported strong revenues in Q3'16 that rose sequentially by 18% and by 4% year-on-year. Along with continued sales momentum across the primary smartphone and virtual reality product lines, there was continued progress in operating expenditure control, prompting a significant improvement in net income over the quarter.

HTC smartphones showed sequential improvement over the second quarter across the portfolio. September saw the launch of the HTC Desire 10 pro and lifestyle editions, which brought many of the innovations in the HTC 10 to the Desire line, including luxury design, high resolution cameras and audio, and an ultra-fast fingerprint sensor.

In the virtual reality business, HTC saw continued sales momentum for the HTC VIVE systems across both consumer and enterprise markets, while the virtual reality content store, VIVEPORT, launched in late September, aims to bring the most diverse selection of virtual reality experiences to VIVE owners in the first instance, with plans to cover other devices in future. HTC also celebrated VIVE winning top honours at the highly respected T3 industry awards: "Innovation of the Year", "Gaming Product of the Year", and the grand prize, "Gadget of the Year".

"We are delighted at how our flagship products, the HTC 10 smartphone and the HTC VIVE virtual reality system, have been embraced by the market; it endorses our revitalized focus on design, engineering and manufacturing," said Cher Wang, Chairwoman and CEO of HTC. "This quarter also saw HTC launch the VIVEPORT virtual reality content store, which will enable many more people around the world to access remarkable experiences and unleash their imagination, as part of our vision for VIVE."

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Quarterly Results Conference Call and Webcast

The webcast of the Q3'16 quarterly results conference call may be accessed at:
<http://edge.media-server.com/m/p/qkt9dodx>

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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