

HTC REPORTS SECOND QUARTER 2016 RESULTS

Taipei, Taiwan – August 2, 2016 – HTC Corporation (TWSE: 2498), a global leader in innovation and design, today announced consolidated results for its fiscal 2016 second quarter ended June 30, 2016.

Key figures:

- Quarterly revenue of NT\$18.9 billion with gross margin of 11.4%
- Quarterly operating loss of NT\$4.2 billion with operating margin of -22.5%
- Disposal gain of NT\$1.0 billion from the sales of land in Taoyuan
- Quarterly net loss after tax: NT\$3.1 billion, or -NT\$3.71 per share

HTC delivered stronger performance in Q2'16, with the launch and commercial availability of its flagship smartphone, the HTC 10, and the Vive virtual reality system, which gave a boost to the HTC brand and contributed to a 27% rise in revenues over Q1'16.

The HTC 10, the next generation of HTC's flagship line of premium smartphones, has been widely acclaimed by the media as the best Android phone on the market and a clear indicator that HTC has rediscovered its leading innovative edge in a highly competitive market. Within two weeks of launch, the HTC 10 had gained 30 media awards, and continues to garner strong review commendations. Accordingly, HTC has seen keen worldwide interest in the HTC 10, with sales momentum set to continue well into the second half of the year.

After strong sales during the pre-order period for Vive in the latter half of Q1'16, deliveries of the consumer edition started on schedule on 5th April, while the business edition for enterprise customers was launched in June. To underpin and foster the growth of the virtual reality industry, HTC has been building a robust ecosystem through collaboration with content developers, infrastructure partners, and strategic industry partners, including the creation of content spanning multiple sectors such as entertainment, retail, education, design, healthcare and automotive. To ensure wide availability, there has been an aggressive program of regional and channel expansion across the US, Europe and Asia.

"This has been an exciting quarter for HTC as we introduced both our flagship smartphone and our consumer virtual reality system, which lead their respective industries for design, build quality and user experience and truly deliver on our promise of the Pursuit of Brilliance," said Cher Wang, Chairwoman and CEO of HTC. "In the space of one year, we have reimagined the Company, reclaimed our top spot for innovation, and demonstrated solid execution across our major product lines. I believe that HTC has regained its innovative zeal and is looking ahead with confidence and ingenuity."

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Quarterly Results Conference Call and Webcast

The webcast of the Q2'16 quarterly results conference call may be accessed at:

<http://edge.media-server.com/m/p/96fwupai>

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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