

## HTC REPORTS 2013 THIRD-QUARTER RESULTS

**TAIPEI, Taiwan – November 05, 2013** – HTC Corporation (the Company, TWSE: 2498), a global leader in mobile innovation and design, today announced consolidated results for the Company and its subsidiaries for the third quarter of 2013. Posting a quarterly revenue of NT\$47 billion, with a gross margin of 20.4% and an operating margin of -7.4%, net loss was reported at NT\$3 billion, earnings per share after tax were -NT\$3.58.

“We have delivered good progress in the third quarter,” said Peter Chou, CEO of HTC, “with the introduction of HTC One Mini and One Max, we now have an HTC One for everyone.” “We have also launched the Here’s To Change global brand campaign, affirming our role as the change-maker challenging the status quo since the dawn of the mobile phone industry, as well as our mission of continuing to bring change into the hands of people around the world.”

### **Product Innovation**

Building on the success of the award winning HTC One, in the third quarter the company introduced the HTC One mini and the HTC One max, delivering a family of devices that offer something for everyone. The launch of the new mid-range Desire 601 and entry-level Desire 300 further expanded HTC’s portfolio, enabling consumers to enjoy a premium experience at any price point. Finally HTC released a blue edition of the HTC One and a limited edition HTC Butterfly s Hello Kitty phone, bringing a fresh and unique approach to product design and innovation<sup>1</sup>.

### **Award Wins**

The third quarter also celebrated the HTC One winning further accolades from some of the most influential consumer technology titles, including “Phone of the Year in 2013” by T3 Gadget Awards, Pocket-Lint, Tech Radar and Mobile Geeks, in addition to “Best European advanced smartphone 2013 – 2014.” HTC’s Change campaign featuring Robert Downey Jr. also significantly ramped up consumer engagement and positive sentiments, increasing advertising awareness by 12% and brand momentum by 15%, in the markets that the campaign was aired.

### **Strategic Investments**

After two years of working together, HTC sold back the remaining 24.85% stake in Beats Audio for a total payment of US\$415 million and focused on the development of its own proprietary sound technology. HTC BoomSound which is already receiving positive industry feedback, seamlessly integrates hardware and software algorithms, delivering the ultimate audio experience to consumers. Additionally, HTC sold 100% of its stake in digital content provider Saffron Digital for US\$47 million, while retaining permanent royalty-free license to its world-wide media services.

### **Regional Update**

During the third quarter, HTC saw sustained momentum in the EMEA region, while maintaining number one market share in Taiwan. For the first time through the launch of HTC One by Verizon, HTC became available across all four major US carriers in the US and in China, the HTC One

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<sup>1</sup> The HTC One Vivid Blue is only available in select markets and the HTC Butterfly s Hello Kitty phone is available in Taiwan.



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max is expected to be market's first wave of TD-LTE products, marking yet another milestone for leadership in global 4G technology innovation.

### **4Q 2013 Outlook**

The Company's outlook for the fourth quarter of 2013 is as follows:

- Revenue is expected to be in the range of NT\$40 billion to NT\$45 billion
- Gross profit margin expected to be 20% +/-1%
- EPS is expected to be in the range of NT\$0.1 to NT\$1.7

### **3Q 2013 Conference Call and Webcast**

HTC will host its quarterly conference call in English beginning at 3 p.m. (Taiwan Time, GMT+8), on November 05, 2013. The conference call will be webcast live with audio and slides at:

<http://www.media-server.com/m/p/dy2qvoji>.

### **About HTC**

Founded in 1997, HTC Corp. (HTC) is the creator of many award-winning mobile devices and industry firsts. By putting people at the center of everything it does, HTC pushes the boundaries of design and technology to create innovative and personal experiences for consumers around the globe. HTC's portfolio includes smartphones and tablets powered by the HTC Sense® user experience. HTC is listed on the Taiwan Stock Exchange (TWSE: 2498). For more information, please visit [www.htc.com](http://www.htc.com).

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### **HTC IR and PR Contacts**

#### **HTC IR / Finance & Accounting Division**

Christine Chi

Manager, Investor Relations

Email: [christine\\_chi@htc.com](mailto:christine_chi@htc.com)

Tel: +886-2-8912-4138 Ext. 33245

#### **HTC PR**

Laura Kao

Sr. Executive, Corporate Communications & PR

Email: [laura\\_kao@htc.com](mailto:laura_kao@htc.com)

Tel: +886-2-8912-4138 Ext. 38524