

HTC REPORTS 2013 SECOND-QUARTER RESULTS

TAIPEI, Taiwan – July 30, 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 second quarter of 2013.

2Q 2013 results

HTC posted quarterly revenue of NT\$70.7 billion, with gross margin of 23.2 % and operating margin of 1.5%. Net profit and EPS were NT\$1.25 billion and NT\$1.50, respectively.

“My leadership team continues to focus on execution,” said Peter Chou, CEO of HTC. “We are seeing expected results as we fill the channels and meet demand for the new HTC One. As we broaden our focus to include a new member of the HTC One family, the recently announced One mini, we are looking forward to delivering great products and results in 2H.”

HTC announced key appointments, including Jack Yang to president of South Asia, Sirpa Ikola to senior director of marketing for South Asia, and Lorain Wong to vice president of global PR.

As manufacturing ramped up, the US saw sequential growth in 2Q, as well as expansion in retail channels. EMEA saw renewed strength in major Western European markets and emerging countries.

Progress was observed across Asia. HTC gained market share in Taiwan, showing an improved presence in Hong Kong and warm reception of its products by consumers in Japan. In China, sales of HTC’s high-end models improved, while competition at the mid-tier and affordable intensified. In South Asia, the improvement of key operator relationships provides optimism about the region.

3Q 2013 Outlook

The Company’s outlook for the third quarter of 2013 is as follows:

- 3Q revenue is expected to be in the range of NT\$50bn to NT\$60bn
- Gross profit margin is expected to be in the range of 18% to 21%
- Operating margin is expected to be in the range of 0% to -8%

The new HTC One has performed well in the market, better than that of our hero products for the same period last year. We aim to extend the momentum as we enter into the second half of 2013. The new HTC One has also helped the company establish strong brand awareness and received numerous accolades as the world’s best smart phone. With the help of HTC One, we have regained superphone market share across major markets including China.

We also have plans underway to launch a range of innovative and competitive mid-tier products in the coming months. We hope to regain momentum and market share in these segments in Q4. This will address our challenge of mid-tier products competitiveness.

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Our overall gross margin has been impacted by the relatively higher cost structure, lack of economy of scale and certain provisions needed to facilitate the clearance of aging products in the channel. Actions have been taken and we expect to see improvement in Q4.

We are also optimizing our organization, including the improvement of management efficiency and effectiveness.

People, innovations, and technology are the core assets of HTC. We will continue to invest in innovations and technology, as well as retaining and rewarding our best talents. We look forward to a brighter future for HTC and continue to delight our customers with the best and most exciting products.

2Q 2013 Conference Call and Webcast

HTC will host its quarterly conference call in English beginning at 3 p.m. (Taiwan Time, GMT+8), on 30th July, 2013. The conference call will be webcast live with audio and slides at:

<http://www.media-server.com/m/p/99w84t5j>.

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.

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