

HTC REPORTS 1Q 2011 RESULTS

QUARTERLY REVENUES, NET PROFITS AND EPS ALL HIT NEW HIGHS

Taoyuan, Taiwan, R.O.C. April 29, 2011 – HTC Corporation (“HTC”, or the “Company”, TWSE: 2498), a global leader in smartphone innovation and design, today announces consolidated results of the Company and its subsidiaries for the first quarter 2011.

Highlights

- Q1 after-tax profit was NT\$14.83bn, up 196.8% year-on-year. EPS was NT\$18.36.
- Total revenues grew for four consecutive quarters since 1Q 2010 and reached NT\$104.16bn in 1Q, up 174.5% year-on-year.
- Handset shipment for 1Q was 9.7mn units, up 192% year-on-year, 6% quarter-on-quarter.
- ASP (in USD) increased 6% year-on-year to US\$359
- 1Q operating expense ratio was 13.4%, better than original guidance; 1Q operating margin reached 15.8%.
- 1Q gross profit margin in line with original guidance at 29.3%.

1Q 2011 Results

HTC’s strong brand recognition and product innovation drive better-than-expected 1Q momentum. Strong underlying growth in all regions overcame traditional seasonality to deliver record high quarterly revenues of NT\$104.16bn, net profits of NT\$14.83bn, and EPS of NT\$18.36.

HTC sold 9.7 million smartphones in the first quarter of 2011, 192% more than the year-ago quarter, and 6% more than 4Q 2010. New products launched in 1Q (Inspire 4G, Thunderbolt, EVO Shift 4G, Desire S, Incredible S) were met with strong customer demand and numerous accolades at the Mobile World Congress and CTIA. This, together with the announcement of innovative products like Wildfire S, ChaCha, Salsa, Flyer, EVO 3D, and Sensation show HTC’s sustained leadership in technology and innovation.

Gross margin for the first quarter was 29.3%. Due to growing operating leverage from scale expansion, operating margin for the first quarter increased to 15.8% from 14.9% in the year-ago quarter.

“Thanks to the hard work of our employees and support from consumers worldwide, we had a phenomenal quarter with record sales and profits. Our innovation and leadership in technology has taken us to new highs. Our brand has been increasingly recognized by customers. And we will continue to focus on delivering the best smartphone products with cutting edge technology, user friendly interface, and premium lifestyle design,” said Peter Chou, HTC’s CEO.

During the first quarter of 2011, HTC made significant strides in developing its content and services platform. Services will be initiated formally in 2Q 2011 with HTC Watch as a first step. Purpose is to offer a unique and differentiated content offering which will become an important part of HTC’s core competence. In addition to content and services, HTC also acquired 82 issued patents and 14 patents

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applications in 1Q to strengthen its wireless patent portfolio and invested to expand manufacturing capacity in both Taiwan and mainland China.

Going forward, HTC will continue to strengthen organization in marketing, operation and R&D, which includes adding 1,000 headcounts for the year. Having completed its phase II branding goals one year ahead of schedule, the Company will commence phase III of its brand development program focusing on building brand preference in 2Q 2011.

2Q 2011 Outlook

The Company's outlook for the second quarter of 2011 is as follows:

- 2Q shipment expected to be around 11mn to 11.5mn units, up 103% to 113% year-on-year.
- 2Q revenue expected to be around NT\$120bn, up 97% year-on-year.
- Operating Margin expected to be in the range of 15.5% \pm 0.5%.
- Gross Margin expected to be around 29% \pm 0.5%.

Corporate Social Responsibility

Based on the belief that business management and corporate social responsibility need to develop in a balanced manner, HTC has put significant emphasis on developing high quality talent and providing employees with a healthy working environment. Being a brand company also means that efforts by employees are directly reflected on Taiwan-branded HTC products which are shipped to every corner of the world. As the Company grows and maximizes profits for shareholders, we are glad to have contributed to creating employment and the transformation of Taiwanese industries up the value chain.

Conference Call and Webcast

HTC will host its quarterly conference call in Chinese beginning at 4 p.m. (Taiwan Time, GMT+8), and quarterly conference call in English beginning at 8 p.m. (Taiwan Time, GMT+8) on Friday, April 29th, 2011. The conference call will be webcasted live with audio and slides at http://www.corpasia.net/cancast/taiwan/register.php?id=tw2498_133&version=e

About HTC

HTC Corporation (HTC) is one of the fastest growing companies in the mobile industry. By putting people at the center of everything it does, HTC creates innovative smartphones and tablets that better serve the lives and needs of individuals. The company is listed on the Taiwan Stock Exchange under ticker 2498. For more information about HTC, please visit www.htc.com.

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