



HIMAX REPORTS SECOND QUARTER 2011 FINANCIAL RESULTS

- *Second quarter 2011 revenues in-line with guidance with gross margin of 18.6%*
- *Expects third quarter revenues to remain flat or to decline slightly with gross margin to remain at the current level*
- *Expects smartphone display drivers and CMOS image sensors to further grow in the third quarter*

Tainan, Taiwan, August 10, 2011 - Himax Technologies, Inc. ("Himax" or "Company") (NASDAQ: HIMX) today reported financial results for the second quarter ended June 30, 2011.

For the second quarter of 2011, Himax reported net revenues of \$160.6 million, representing a 14.5% decrease from \$187.7 million in the second quarter of 2010, and a 13.8% increase from \$141.1 million in the first quarter of 2011. Gross margin was 18.6% in the second quarter of 2011, down 180 basis points year-over-year and down 150 basis points, sequentially. Operating income in the second quarter was \$3.4 million, compared to \$13.0 million for the same period last year and \$2.5 million in the previous quarter.

Net income attributable to Himax stockholders for the second quarter of 2011 was \$3.6 million or \$0.02 per diluted ADS, down from \$12.0 million or \$0.07 per diluted ADS in the second quarter of 2010, and up from \$2.7 million or \$0.02 per diluted ADS in the first quarter of 2011.

Excluding share-based compensation and acquisition-related charges, non-GAAP operating income for the second quarter of 2011 was \$5.1 million, down from \$15.4 million in the same period last year, and up from \$4.3 million in the previous quarter.

Non-GAAP net income attributable to Himax stockholders for the second quarter of 2011 was \$5.0 million or \$0.03 per diluted ADS, down from \$14.0 million or \$0.08 per diluted ADS in the second quarter of 2010, and up from \$4.1 million or \$0.02 per diluted ADS in the first quarter of 2011.

Reconciliation of gross margin, operating margin, net margin and diluted EPS excluding share-based compensation and acquisition-related charges, a non-GAAP financial measure, to GAAP gross margin, GAAP operating margin, GAAP net margin and diluted GAAP EPS, most comparable GAAP figure, is set out in the attached reconciliation schedule.

Jordan Wu, President and Chief Executive Officer of Himax, commented, "For large panel display drivers, the 17.7% quarterly revenue growth in the second quarter was primarily the result of orders coming from one of our customers in China which was ramping up its new capacity. The third quarter outlook however, appears sluggish for large panel drivers. We are seeing reduced demand for all applications and many of our customers have responded to the uncertain global economic conditions by lowering capacity utilization for large panel products."

Mr. Wu continued, "The quarterly revenue growth for small and medium size display drivers was 4.3% in the second quarter, primarily a consequence of the weak feature phone demand particularly in China's white box market. However, we are seeing robust third quarter customer forecasts for the smart phone market from both our world leading and Chinese brands. . We remain the leading player in high end panel drivers for smart phone applications. Our industry-leading HD720 high resolution cellphone panel driver has been adopted by first-tier smart phone brands with shipments expected to commence at the end of the third quarter. The driver IC offers an unrivaled color and brightness enhancement feature which is very popular among our customers."

Mr. Wu continued, "We have seen significant progress in diversification of our revenue stream, with small and medium panel business expected to replace large panel to become our largest revenue contributor in the third quarter. Our non-driver segment continued to contribute positively to our top line growth, particularly the CMOS image sensor and LCOS micro-display products. Starting from the second quarter, the wafer shortage situation for CMOS image sensor has been gradually alleviated and we have been able to fulfill more customer orders. We expect the capacity shortage to further loosen going forward. We are also seeing an increase in demand for our LCOS pico-projector products, particularly for cellphone embedded applications targeting emerging markets.

Looking into the third quarter, the TFT-LCD industry is suffering from weak end market demand and general concerns for the outlook of the global economy. The market and economic conditions have reduced our visibility for orders and forecasts provided to us by our customers."

Mr. Wu added, "For the third quarter, we expect revenues to remain flat or to decline slightly with gross margin to remain at the current level. Taking into account our 2011 grant of restricted share units, or RSUs, at the end of September, our GAAP loss per ADS is expected to be in the range of 2 to 0 cents. Excluding share-based compensation and acquisition-related charges, our non-GAAP earnings per ADS is expected to be in the range of 0 to 2 cents. Our 2011 RSUs, subject to Himax's Board approval, is projected to be valued in the range of \$3 million to \$4 million, representing a 56% to 67% decline year over year. Almost all of the 2011 RSU is expected to be vested and expensed immediately on the grant date."

Investor Conference Call / Webcast Details

The Company's management will review detailed second quarter 2011 results on Tuesday, August 9, 2011 at 7:00 PM NYC (7:00 AM, Wednesday, August 10, Taiwan time). The conference dial-in numbers are +1-201-689-8471 (international) and +1-877-407-4018 (U.S. domestic). A live webcast of the conference call will be available on the Company's website at www.himax.com.tw. The playback will be available beginning two hours after the call through 12:00 PM Taiwan time on Tuesday, August 16, 2011 (midnight U.S. Eastern Standard Time) at www.himax.com.tw and by telephone at +1-858-384-5517 (international) or +1-877-870-5176 (U.S. domestic). The conference ID number is 375533.

About Himax Technologies, Inc.

Himax Technologies, Inc. designs, develops, and markets semiconductors that are critical components of flat panel displays. The Company's principal products are display drivers for large-sized TFT-LCD panels, which are used in desktop monitors, notebook computers and televisions, and display drivers for small- and medium-sized TFT-LCD panels, which are used in mobile handsets and consumer electronics products such as tablet PCs, netbook computers, digital cameras, mobile gaming devices, portable DVD players, digital photo frame and car navigation displays. In addition, the Company is expanding its product offerings to include timing controllers, touch controller ICs, LCD TV and monitor chipset solutions, LCOS projector solutions, power management ICs, CMOS Image Sensors, Infinitely Color Technology and 2D to 3D conversion solutions. Based in Tainan, Taiwan, the Company has regional offices in Hsinchu and Taipei, Taiwan; Ninbo, Foshan, Fuqing, Beijing, Shanghai, Suzhou and Shenzhen, China; Yokohama and Matsusaka, Japan; Cheonan-si, Chungcheongnam-do, South Korea; and Irvine California, USA.

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Forward-Looking Statements:

Factors that could cause actual events or results to differ materially include, but not limited to, general business and economic conditions and the state of the semiconductor industry; market acceptance and competitiveness of the driver and non-driver products developed by the Company; demand for end-use applications products; reliance on a small group of principal customers; the uncertainty of continued success in technological innovations; our ability to develop and protect our intellectual property; pricing pressures including declines in average selling prices; changes in customer order patterns; changes in estimated full-year effective tax rate; shortages in supply of key components; changes in environmental laws and regulations; exchange rate fluctuations; regulatory approvals for further investments in our subsidiaries; our ability to collect accounts receivable and manage inventory; the

uncertainty of success in our Taiwan listing plan which is still under review by Taiwan regulatory authorities and subject to change due to, among other things, changes in either Taiwan or US authorities' policies and Taiwan regulatory authorities' acceptance of the Company's Taiwan listing application and other risks described from time to time in the Company's SEC filings, including those risks identified in the section entitled "Risk Factors" in its Form 20-F for the year ended December 31, 2010 filed with SEC on dated May 20, 2011, as amended.

– Tables Attached –

Himax Technologies, Inc.
Unaudited Condensed Consolidated Statements of Income
(These interim financials do not fully comply with US GAAP because they omit all interim disclosure required by US GAAP)
(Amounts in Thousands of U.S. Dollars, Except Per Share Data)

	Three Months Ended June 30,		Three Months Ended March 31,
	2011	2010	2011
Revenues			
Revenues from third parties, net	\$ 92,450	\$ 94,939	\$ 74,093
Revenues from related parties, net	68,129	92,768	67,000
	160,579	187,707	141,093
Costs and expenses:			
Cost of revenues	130,682	149,388	112,783
Research and development	19,294	18,341	19,790
General and administrative	3,745	4,197	4,281
Sales and marketing	3,447	2,752	1,697
Total costs and expenses	157,168	174,678	138,551
Operating income	3,411	13,029	2,542
Non operating income (loss):			
Interest income	130	169	140
Equity in losses of equity method investees	(112)	(106)	(81)
Foreign exchange gains (losses), net	(100)	53	117
Interest expense	(102)	(5)	(97)
Other income (loss), net	478	72	(234)
	294	183	(155)
Earnings before income taxes	3,705	13,212	2,387
Income tax expense	926	2,174	597
Net income	2,779	11,038	1,790
Net loss attributable to noncontrolling interests	845	930	933
Net income attributable to Himax stockholders	\$ 3,624	\$ 11,968	\$ 2,723
Basic earnings per ordinary share attributable to Himax stockholders	\$ 0.01	\$ 0.03	\$ 0.01
Diluted earnings per ordinary share attributable to Himax stockholders	\$ 0.01	\$ 0.03	\$ 0.01
Basic earnings per ADS attributable to Himax stockholders	\$ 0.02	\$ 0.07	\$ 0.02
Diluted earnings per ADS attributable to Himax stockholders	\$ 0.02	\$ 0.07	\$ 0.02
Basic Weighted Average Outstanding Ordinary Shares	354,629	355,426	354,633
Diluted Weighted Average Outstanding Ordinary Shares	356,138	358,011	355,833

Himax Technologies, Inc.
Unaudited Condensed Consolidated Statements of Income
(Amounts in Thousands of U.S. Dollars, Except Per Share Data)

	Six Months Ended	
	June 30,	
	2011	2010
Revenues		
Revenues from third parties, net	\$ 166,543	\$ 165,879
Revenues from related parties, net	135,129	197,326
	<u>301,672</u>	<u>363,205</u>
Costs and expenses:		
Cost of revenues	243,465	290,161
Research and development	39,084	36,149
General and administrative	8,026	8,240
Sales and marketing	5,144	5,501
Total costs and expenses	<u>295,719</u>	<u>340,051</u>
Operating income	<u>5,953</u>	<u>23,154</u>
Non operating income (loss):		
Interest income	270	273
Equity in losses of equity method investees	(193)	(165)
Foreign exchange gains, net	17	42
Interest expense	(199)	(5)
Other income, net	244	160
	<u>139</u>	<u>305</u>
Earnings before income taxes	6,092	23,459
Income tax expense	1,523	4,223
Net income	4,569	19,236
Net loss attributable to the noncontrolling interests	1,778	1,870
Net income attributable to Himax stockholders	\$ 6,347	\$ 21,106
Basic earnings per ordinary share attributable to Himax stockholders	\$ 0.02	\$ 0.06
Diluted earnings per ordinary share attributable to Himax stockholders	\$ 0.02	\$ 0.06
Basic earnings per ADS attributable to Himax stockholders	\$ 0.04	\$ 0.12
Diluted earnings per ADS attributable to Himax stockholders	\$ 0.04	\$ 0.12
Basic Weighted Average Outstanding Shares	354,631	356,486
Diluted Weighted Average Outstanding Shares	356,000	358,517

Himax Technologies, Inc.
Unaudited Supplemental Financial Information
(Amounts in Thousands of U.S. Dollars)

The amount of share-based compensation included in applicable statements of income categories is summarized as follows:	Three Months Ended June 30,		Three Months Ended March 31,
	2011	2010	2011
Share-based compensation			
Cost of revenues	\$ 11	\$ 21	\$ 11
Research and development	866	1,375	869
General and administrative	143	228	142
Sales and marketing	139	218	140
Income tax benefit	(177)	(131)	(178)
Total	\$ 982	\$ 1,711	\$ 984

**The amount of acquisition-related charges included
in applicable statements of income categories is
summarized as follows:**

Acquisition-related charges			
Research and development	\$ 258	\$ 258	\$ 258
Sales and marketing	290	290	289
Income tax benefit	(125)	(200)	(125)
Total	\$ 423	\$ 348	\$ 422

Himax Technologies, Inc.
Unaudited Supplemental Financial Information
(Amounts in Thousands of U.S. Dollars)

The amount of share-based compensation included in applicable statements of income categories is summarized as follows:

	Six Months Ended June 30,	
	2011	2010
Share-based compensation		
Cost of revenues	\$ 22	\$ 43
Research and development	1,735	2,749
General and administrative	285	457
Sales and marketing	279	436
Income tax benefit	(355)	(318)
Total	<u>\$ 1,966</u>	<u>\$ 3,367</u>

The amount of acquisition-related charges included in applicable statements of income categories is summarized as follows:

Research and development	\$ 516	\$ 517
Sales and marketing	579	579
Income tax benefit	(250)	(339)
Total	<u>\$ 845</u>	<u>\$ 757</u>

Himax Technologies, Inc.
Unaudited Condensed Consolidated Balance Sheets
(Amounts in Thousands of U.S. Dollars, Except Per Share Data)

	<u>June 30, 2011</u>	<u>March 31, 2011</u>	<u>December 31, 2010</u>
Assets			
Current assets:			
Cash and cash equivalents	\$ 103,887	\$ 109,519	\$ 96,842
Investments in marketable securities available-for-sale	174	6,834	8,632
Accounts receivable, less allowance for doubtful accounts, sales returns and discounts	92,362	83,098	80,212
Accounts receivable from related parties, less allowance for sales returns and discounts	86,947	83,690	95,964
Inventories	124,350	130,057	117,988
Deferred income taxes	12,148	11,871	11,977
Restricted cash and cash equivalents	57,500	57,500	58,500
Prepaid expenses and other current assets	16,607	16,136	15,809
Total current assets	\$ 493,975	\$ 498,705	\$ 485,924
Investment securities, including securities measured at fair value	24,706	24,568	24,622
Equity method investments	623	781	869
Property, plant and equipment, net	54,045	48,658	47,561
Deferred income taxes	25,077	24,502	24,729
Goodwill	26,846	26,846	26,846
Intangible assets, net	5,575	6,125	6,674
Other assets	1,943	2,043	2,395
Total assets	\$ 632,790	\$ 632,228	\$ 619,620
Liabilities and Equity			
Current liabilities:			
Short-term debt	\$ 57,000	\$ 57,000	\$ 57,000
Accounts payable	125,770	124,066	115,922
Income taxes payable	5,264	9,182	9,125
Deferred income taxes	100	94	96
Other accrued expenses and other current liabilities	47,088	25,843	23,605
Total current liabilities	\$ 235,222	\$ 216,185	\$ 205,748
Other liabilities	5,761	6,786	6,896
Total liabilities	\$ 240,983	\$ 222,971	\$ 212,644
Equity			
Himax stockholders' equity:			
Ordinary shares, US\$0.3 par value, 1,000,000,000 shares authorized; 353,781,070 shares, 353,842,764 shares, and 353,842,764 shares issued and outstanding at June 30, 2011, March 31, 2011, and December 31, 2010, respectively	\$ 106,134	\$ 106,153	\$ 106,153
Additional paid-in capital	101,422	100,824	100,291
Accumulated other comprehensive income	971	994	1,204
Unappropriated retained earnings	183,350	200,953	198,230
Himax stockholders' equity	\$ 391,877	\$ 408,924	\$ 405,878
Noncontrolling interests	(70)	333	1,098
Total equity	\$ 391,807	\$ 409,257	\$ 406,976
Total liabilities and equity	\$ 632,790	\$ 632,228	\$ 619,620

Himax Technologies, Inc.
Unaudited Condensed Consolidated Statements of Cash Flows
(Amounts in Thousands of U.S. Dollars)

	Three Months Ended June 30,		Three Months Ended March 31,
	2011	2010	2011
Cash flows from operating activities:			
Net income	\$ 2,779	\$ 11,038	\$ 1,790
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	3,172	3,463	3,279
Share-based compensation expenses	1,159	1,842	1,162
Equity in losses of equity method investees	112	106	81
Gain on disposal of marketable securities, net	(194)	(19)	(193)
Gain on disposal of equity method investment	(313)	---	---
Unrealized loss on conversion option	144	---	460
Interest income from amortization of discount on investment in corporate bonds	(41)	---	(48)
Deferred income tax expense (benefit)	(983)	2,639	242
Inventories write downs	1,804	1,371	2,764
Changes in operating assets and liabilities:			
Accounts receivable	(9,264)	(25,211)	(2,886)
Accounts receivable from related parties	(3,244)	9,827	12,289
Inventories	3,903	(15,230)	(14,833)
Prepaid expenses and other current assets	(100)	1,098	(325)
Accounts payable	1,704	18,352	8,144
Income taxes payable	(3,912)	(8,844)	52
Other accrued expenses and other current liabilities	683	2,464	258
Other liabilities	(906)	(602)	(11)
Net cash provided by (used in) operating activities	(3,497)	2,294	12,225
Cash flows from investing activities:			
Purchase of property and equipment	(8,674)	(1,720)	(1,851)
Purchase of available-for-sale marketable securities	(2,840)	(4,257)	(6,014)
Disposal of available-for-sale marketable securities	9,501	5,514	7,733
Purchase of investment securities	---	(1,024)	---
Release (pledge) of restricted cash equivalents and marketable securities	(4)	(62)	1,002
Decrease (increase) in other assets	(32)	134	1
Net cash provided by (used in) investing activities	(2,049)	(1,415)	871

Himax Technologies, Inc.
Unaudited Condensed Consolidated Statements of Cash Flows
(Amounts in Thousands of U.S. Dollars)

	Three Months Ended June 30,		Three Months Ended March 31,
	2011	2010	2011
Cash flows from financing activities:			
Proceeds from issuance of new shares by subsidiaries	\$ 10	76	21
Payments to acquire ordinary shares for retirement	(67)	(2,903)	---
Proceeds from disposal of subsidiary shares to noncontrolling interests by Himax Technologies Limited	---	94	---
Purchase of subsidiary shares from noncontrolling interests	(67)	(109)	(461)
Proceeds from borrowing of short-term debt	---	160,000	---
Repayment of short-term debt	---	(160,000)	---
Net cash used in financing activities	<u>(124)</u>	<u>(2,842)</u>	<u>(440)</u>
Effect of foreign currency exchange rate changes on cash and cash equivalents	<u>38</u>	<u>(2)</u>	<u>21</u>
Net increase (decrease) in cash and cash equivalents	(5,632)	(1,965)	12,677
Cash and cash equivalents at beginning of period	109,519	155,932	96,842
Cash and cash equivalents at end of period	<u>\$ 103,887</u>	<u>\$ 153,967</u>	<u>\$ 109,519</u>
Supplemental disclosures of cash flow information:			
Cash paid during the period for:			
Interest expense	<u>\$ 79</u>	<u>\$ 5</u>	<u>\$ 97</u>
Income taxes	<u>\$ 5,979</u>	<u>\$ 8,196</u>	<u>\$ 206</u>
Supplemental disclosures of non-cash financing activities:			
Dividend Payable	<u>\$ 21,227</u>	<u>\$ 44,188</u>	<u>\$ ---</u>

Himax Technologies, Inc.
Unaudited Supplemental Data – Reconciliation Schedule
(Amounts in Thousands of U.S. Dollars)

Gross Margin, Operating Margin and Net Margin Excluding Share-based Compensation and Acquisition-Related Charges:

	Three Months Ended June 30,		Three Months Ended March 31,
	2011	2010	2011
Revenues	\$ 160,579	\$ 187,707	\$ 141,093
Gross profit	29,897	38,319	28,310
Add: Share-based compensation – Cost of revenues	11	21	11
Gross profit excluding share-based compensation	29,908	38,340	28,321
Gross margin excluding share-based compensation	18.6%	20.4%	20.1%
Operating income	3,411	13,029	2,542
Add: Share-based compensation	1,159	1,842	1,162
Operating income excluding share-based compensation	4,570	14,871	3,704
Add: Acquisition-related charges –Intangible assets amortization	548	548	547
Operating income excluding share-based compensation and acquisition-related charges	5,118	15,419	4,251
Operating margin excluding share-based compensation and acquisition-related charges	3.2%	8.2%	3.0%
Net income attributable to Himax stockholders	3,624	11,968	2,723
Add: Share-based compensation, net of tax	982	1,711	984
Add: Acquisition-related charges, net of tax	423	348	422
Net income attributable to Himax stockholders excluding share-based compensation and acquisition-related charges	5,029	14,027	4,129
Net margin attributable to Himax stockholders excluding share-based compensation and acquisition-related charges	3.1%	7.5%	2.9%

*Gross margin excluding share-based compensation equals gross profit excluding share-based compensation divided by revenues

*Operating margin excluding share-based compensation and acquisition-related charges equals operating income excluding share-based compensation and acquisition-related charges divided by revenues

*Net margin attributable to Himax stockholders excluding share-based compensation and acquisition-related charges equals net income attributable to Himax stockholders excluding share-based compensation and acquisition-related charges divided by revenues

Himax Technologies, Inc.
Unaudited Supplemental Data – Reconciliation Schedule
(Amounts in Thousands of U.S. Dollars)

Gross Margin, Operating Margin and Net Margin Excluding Share-based Compensation and Acquisition-Related Charges:

	Six Months Ended June 30,	
	2011	2010
Revenues	\$ 301,672	\$ 363,205
Gross profit	58,207	73,044
Add: Share-based compensation – Cost of revenues	22	43
Gross profit excluding share-based compensation	58,229	73,087
Gross margin excluding share-based compensation	19.3%	20.1%
Operating income	5,953	23,154
Add: Share-based compensation	2,321	3,685
Operating income excluding share-based compensation	8,274	26,839
Add: Acquisition-related charges –Intangible assets amortization	1,095	1,096
Operating income excluding share-based compensation and acquisition-related charges	9,369	27,935
Operating margin excluding share-based compensation and acquisition-related charges	3.1%	7.7%
Net income attributable to Himax stockholders	6,347	21,106
Add: Share-based compensation, net of tax	1,966	3,367
Add: Acquisition-related charges, net of tax	845	757
Net income attributable to Himax stockholders excluding share-based compensation and acquisition-related charges	9,158	25,230
Net margin attributable to Himax stockholders excluding share-based compensation and acquisition-related charges	3.0%	6.9%

*Gross margin excluding share-based compensation equals gross profit excluding share-based compensation divided by revenues

*Operating margin excluding share-based compensation and acquisition-related charges equals operating income excluding share-based compensation and acquisition-related charges divided by revenues

*Net margin attributable to Himax stockholders excluding share-based compensation and acquisition-related charges equals net income attributable to Himax stockholders excluding share-based compensation and acquisition-related charges divided by revenues

Diluted Earnings Per Ordinary Share Attributable to Himax stockholders Excluding Share-based Compensation and Acquisition-Related Charges:

	Three Months Ended June 30, 2011	Six Months Ended June 30, 2011
Diluted GAAP EPS attributable to Himax stockholders	\$0.01	\$0.02
Add: Share-based compensation per diluted share	\$0.01	\$0.01
Add: Acquisition-related charges per diluted share	\$---	\$---
 Diluted non GAAP EPS attributable to Himax stockholders excluding share-based compensation and acquisition- related charges	 \$0.01	 \$0.03

Numbers do not add up due to rounding