



## HIMAX REPORTS THIRD QUARTER 2011 FINANCIAL RESULTS

- *Third quarter 2011 revenue increased 17% year-over-year*
- *Small and medium-sized panel drivers increased 47.3% year-over-year in the third quarter 2011, accounted for 49.2% of total revenues, reaching another record level*
- *Expect fourth quarter 2011 revenues to remain flat or slightly up with gross margin improving to over 20%*
- *Sales of cell phone application more than doubled year-over-year, expect strong smartphone growth momentum to continue in the fourth quarter 2011*

**Tainan, Taiwan, November 9, 2011** - Himax Technologies, Inc. ("Himax" or "Company") (NASDAQ: HIMX) today reported financial results for the third quarter ended September 30, 2011.

For the third quarter of 2011, Himax reported net revenues of \$162.1 million, representing a 17.2% increase from \$138.3 million in the third quarter of 2010, and a 1.0% increase from \$160.6 million in the second quarter of 2011. Gross margin was 18.5% in the third quarter of 2011, down 440 basis points year-over-year and down 10 basis points, sequentially. Operating loss in the third quarter was \$0.5 million, compared to operating loss of \$0.7 million for the same period last year and operating income of \$3.4 million in the previous quarter.

Net income attributable to Himax stockholders for the third quarter of 2011 was \$0.6 million or \$0.004 per diluted ADS, up from \$0.4 million or \$0.003 per diluted ADS in the third quarter of 2010, and down from \$3.6 million or \$0.020 per diluted ADS in the second quarter of 2011.

Excluding share-based compensation and acquisition-related charges, non-GAAP operating income for the third quarter of 2011 was \$4.5 million, down from \$7.3 million in the same period last year, and down from \$5.1 million in the previous quarter.

Non-GAAP net income attributable to Himax stockholders for the third quarter of 2011 was \$4.8 million or \$0.027 per diluted ADS, down from \$7.0 million or \$0.040 per diluted ADS in the third quarter of 2010, and down from \$5.0 million or \$0.028 per diluted ADS in the second quarter of 2011.

Reconciliation of gross margin, operating margin (loss), 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 (loss), 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, "Our third quarter 2011 performance highlights strong growth of display drivers for small and medium-sized applications. However, overall market demand in large-sized applications remains relatively weak amidst uncertainties in the global markets."

Mr. Wu continued, "In the third quarter 2011, revenues from small and medium-sized applications were \$79.7 million, up 47.2% from the same period last year and up 28.1% sequentially and accounted for 49.2% of total revenues. Based on the fast-growing smartphone sector, our small and medium-sized driver reached another record high in terms of units shipped, absolute value and percentage of total revenue. The handset segment has become our single largest revenue contributor, replacing what were traditionally contributions from TV display drivers. In fact, revenues from the handset segment alone are now comparable to those from all large panel applications combined, including TV, monitor and laptops."

“We are currently in a strong position in the smart phone sector with leading technologies and competitive products. We carry a wide range of smart phone products including hVGA, WVGA, nHD, qHD resolution drivers for mainstream smartphones as well as the HD720 high resolution drivers of which we are one of the industry leaders in shipping to first-tier smart phone brand customers. We are also working with our panel partners in Taiwan, Japan, Korea and China to supply drivers for numerous smart phone brand customers. The growth momentum is expected to continue into the fourth quarter 2011 and beyond with strong demand from both Chinese and international brand customers.”

Mr. Wu added, “As for non-driver products, our touch panel controller is expected to be the next bright spot. In the third quarter we successfully mass-produced and shipped our multi-touch capacitive touch controllers to a worldwide smartphone brand leader. We expect this demand to grow further in the fourth quarter and beyond. With our product quality and proven first-tier customer shipping track record, we are confident that we will continue to gain more new customers in the future.

LCOS in the third quarter 2011 maintained steady shipping rates. We remain committed to the long term development of LCOS microdisplay and its applications. In addition to pico projector, which accounts for the bulk of our LCOS shipments, we are working with customers on the development of brand new applications using our LCOS panels, some of which we have received tooling fees for the development of tailor-made products.”

Mr. Wu continued, “Moving into the fourth quarter 2011, we are pleased to see our continuous efforts on product mix improvement and cost controls over the past few quarters come to fruition. We expect to see improved gross margin and bottom line during the fourth quarter 2011. Looking forward, gross margin improvement will continue to be a key focus. We also expect strong demand for small and medium panel drivers in the fourth quarter 2011. Although the visibility for large-sized panel demand is still limited at the moment, we are seeing a relatively low level of inventory on the customers' side. We are well prepared for possible rush orders coming from a sudden inventory replenishment needs. This is not factored into our fourth quarter 2011 guidance.

In the fourth quarter 2011, we expect our revenue to remain flat to slightly up with gross margin improving to over 20%. We also expect our profit to improve as a result of better product mix and continuous cost controls. GAAP earnings attributable to shareholders per ADS is expected to be in the range of \$0.02 to \$0.04.”

#### **Investor Conference Call / Webcast Details**

The Company's management will review detailed third quarter 2011 results on Tuesday, November 8, 2011 at 6:00 PM NYC (7:00 AM, Wednesday, November 9, 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](http://www.himax.com.tw). The playback will be available beginning two hours after the call through 1:00 PM Taiwan time on Wednesday, November 16, 2011 (midnight U.S. Eastern Standard Time) at [www.himax.com.tw](http://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 381641.

#### **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 September 30,		Three Months Ended June 30,
	2011	2010	2011
<b>Revenues</b>			
Revenues from third parties, net	\$ 98,404	\$ 71,064	\$ 92,450
Revenues from related parties, net	63,717	67,217	68,129
	<u>162,121</u>	<u>138,281</u>	<u>160,579</u>
<b>Costs and expenses:</b>			
Cost of revenues	132,134	106,602	130,682
Research and development	21,292	23,267	19,294
General and administrative	5,146	4,948	3,745
Sales and marketing	4,072	4,139	3,447
<b>Total costs and expenses</b>	<u>162,644</u>	<u>138,956</u>	<u>157,168</u>
<b>Operating income (loss)</b>	<u>(523)</u>	<u>(675)</u>	<u>3,411</u>
<b>Non operating income (loss):</b>			
Interest income	126	193	130
Equity in losses of equity method investees	(82)	(99)	(112)
Foreign exchange gains (losses), net	759	(345)	(100)
Interest expense	(131)	(71)	(102)
Other income (loss), net	(271)	173	478
	<u>401</u>	<u>(149)</u>	<u>294</u>
<b>Earnings (loss) before income taxes</b>	(122)	(824)	3,705
Income tax expense (benefit)	(31)	(149)	926
<b>Net income (loss)</b>	(91)	(675)	2,779
<b>Net loss attributable to noncontrolling interests</b>	733	1,122	845
<b>Net income attributable to Himax stockholders</b>	<u>\$ 642</u>	<u>\$ 447</u>	<u>\$ 3,624</u>
<b>Basic earnings per ordinary share attributable to Himax stockholders</b>	<u>\$ 0.002</u>	<u>\$ 0.001</u>	<u>\$ 0.010</u>
<b>Diluted earnings per ordinary share attributable to Himax stockholders</b>	<u>\$ 0.002</u>	<u>\$ 0.001</u>	<u>\$ 0.010</u>
<b>Basic earnings per ADS attributable to Himax stockholders</b>	<u>\$ 0.004</u>	<u>\$ 0.003</u>	<u>\$ 0.020</u>
<b>Diluted earnings per ADS attributable to Himax stockholders</b>	<u>\$ 0.004</u>	<u>\$ 0.003</u>	<u>\$ 0.020</u>
<b>Basic Weighted Average Outstanding Ordinary Shares</b>	353,396	352,589	354,629
<b>Diluted Weighted Average Outstanding Ordinary Shares</b>	353,753	353,767	356,138

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

	<b>Nine Months Ended</b>	
	<b>September 30,</b>	
	<b>2011</b>	<b>2010</b>
<b>Revenues</b>		
Revenues from third parties, net	\$ 264,947	\$ 236,943
Revenues from related parties, net	198,846	264,543
	<b>463,793</b>	<b>501,486</b>
<b>Costs and expenses:</b>		
Cost of revenues	375,599	396,763
Research and development	60,376	59,416
General and administrative	13,172	13,188
Sales and marketing	9,216	9,640
<b>Total costs and expenses</b>	<b>458,363</b>	<b>479,007</b>
<b>Operating income</b>	<b>5,430</b>	<b>22,479</b>
<b>Non operating income (loss):</b>		
Interest income	396	466
Equity in losses of equity method investees	(275)	(264)
Foreign exchange gains (loss), net	776	(303)
Interest expense	(330)	(76)
Other income (loss), net	(27)	333
	540	156
<b>Earnings before income taxes</b>	<b>5,970</b>	<b>22,635</b>
Income tax expense	1,492	4,074
<b>Net income</b>	<b>4,478</b>	<b>18,561</b>
<b>Net loss attributable to the noncontrolling interests</b>	<b>2,511</b>	<b>2,992</b>
<b>Net income attributable to Himax stockholders</b>	<b>\$ 6,989</b>	<b>\$ 21,553</b>
<b>Basic earnings per ordinary share attributable to Himax stockholders</b>	<b>\$ 0.020</b>	<b>\$0.061</b>
<b>Diluted earnings per ordinary share attributable to Himax stockholders</b>	<b>\$ 0.020</b>	<b>\$0.061</b>
<b>Basic earnings per ADS attributable to Himax stockholders</b>	<b>\$ 0.039</b>	<b>\$0.121</b>
<b>Diluted earnings per ADS attributable to Himax stockholders</b>	<b>\$ 0.039</b>	<b>\$0.121</b>
<b>Basic Weighted Average Outstanding Shares</b>	<b>354,215</b>	<b>355,172</b>
<b>Diluted Weighted Average Outstanding Shares</b>	<b>354,393</b>	<b>355,775</b>

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

<b>The amount of share-based compensation included in applicable statements of income categories is summarized as follows:</b>	<b>Three Months Ended September 30,</b>		<b>Three Months Ended June 30,</b>
	<b>2011</b>	<b>2010</b>	<b>2011</b>
Share-based compensation			
Cost of revenues	\$ 96	\$ 174	\$ 11
Research and development	3,139	5,275	866
General and administrative	554	937	143
Sales and marketing	684	1,040	139
Income tax benefit	(744)	(1,108)	(177)
Total	\$ 3,729	\$ 6,318	\$ 982

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

Acquisition-related charges			
Research and development	\$ 259	\$ 259	\$ 258
Sales and marketing	289	289	290
Income tax benefit	(125)	(264)	(125)
Total	\$ 423	\$ 284	\$ 423

**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:**

	<b>Nine Months Ended September 30,</b>	
	<b>2011</b>	<b>2010</b>
Share-based compensation		
Cost of revenues	\$ 118	\$ 217
Research and development	4,874	8,024
General and administrative	839	1,394
Sales and marketing	963	1,476
Income tax benefit	(1,099)	(1,426)
Total	<u>\$ 5,695</u>	<u>\$ 9,685</u>

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

Research and development	\$ 775	\$ 776
Sales and marketing	868	868
Income tax benefit	(375)	(603)
Total	<u>\$ 1,268</u>	<u>\$ 1,041</u>

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

	September 30, 2011	June 30, 2011	December 31, 2010
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 90,654	\$ 103,887	\$ 96,842
Restricted cash and cash equivalents	84,700	57,500	58,500
Investments in marketable securities available-for-sale	164	174	8,632
Accounts receivable, less allowance for doubtful accounts, sales returns and discounts	94,283	92,362	80,212
Accounts receivable from related parties, less allowance for sales returns and discounts	80,421	86,947	95,964
Inventories	104,664	124,350	117,988
Deferred income taxes	11,461	12,148	11,977
Prepaid expenses and other current assets	14,351	16,607	15,809
<b>Total current assets</b>	<b>\$ 480,698</b>	<b>\$ 493,975</b>	<b>\$ 485,924</b>
<b>Investment securities, including securities measured at fair value</b>	24,447	24,706	24,622
<b>Equity method investments</b>	509	623	869
<b>Property, plant and equipment, net</b>	58,102	54,045	47,561
<b>Deferred income taxes</b>	23,634	25,077	24,729
<b>Goodwill</b>	26,846	26,846	26,846
<b>Intangible assets, net</b>	5,026	5,575	6,674
<b>Other assets</b>	1,545	1,943	2,395
<b>Total assets</b>	<b>\$ 620,807</b>	<b>\$ 632,790</b>	<b>\$ 619,620</b>
<b>Liabilities and Equity</b>			
<b>Current liabilities:</b>			
Short-term debt	\$ 84,200	\$ 57,000	\$ 57,000
Accounts payable	113,546	125,770	115,922
Income taxes payable	2,842	5,264	9,125
Deferred income taxes	85	100	96
Other accrued expenses and other current liabilities	25,253	47,088	23,605
<b>Total current liabilities</b>	<b>\$ 225,926</b>	<b>\$ 235,222</b>	<b>\$ 205,748</b>
<b>Other liabilities</b>	4,585	5,761	6,896
<b>Total liabilities</b>	<b>\$ 230,511</b>	<b>\$ 240,983</b>	<b>\$ 212,644</b>
<b>Equity</b>			
<b>Himax stockholders' equity:</b>			
Ordinary shares, US\$0.3 par value, 1,000,000,000 shares authorized; 353,999,418 shares, 353,781,070 shares, and 353,842,764 shares issued and outstanding at September 30, 2011, June 30, 2011, and December 31, 2010, respectively	\$ 106,200	\$ 106,134	\$ 106,153
Additional paid-in capital	99,432	101,422	100,291
Accumulated other comprehensive income	663	971	1,204
Unappropriated retained earnings	183,995	183,350	198,230
<b>Himax stockholders' equity</b>	<b>\$ 390,290</b>	<b>\$ 391,877</b>	<b>\$ 405,878</b>
<b>Noncontrolling interests</b>	6	(70)	1,098
<b>Total equity</b>	<b>\$ 390,296</b>	<b>\$ 391,807</b>	<b>\$ 406,976</b>
<b>Total liabilities and equity</b>	<b>\$ 620,807</b>	<b>\$ 632,790</b>	<b>\$ 619,620</b>



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

	<b>Three Months Ended September 30,</b>		<b>Three Months Ended June 30,</b>
	<b>2011</b>	<b>2010</b>	<b>2011</b>
<b>Cash flows from operating activities:</b>			
Net income (loss)	\$ (91)	\$ (675)	\$ 2,779
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	3,162	3,366	3,172
Share-based compensation expenses	1,600	1,555	1,159
Loss on disposal of property, plant and equipment	114	34	---
Gain on disposal of equity method investment	---	---	(313)
Loss (gain) on disposal of marketable securities, net	36	(21)	(194)
Unrealized loss (gain) on conversion option	298	(62)	144
Interest income from amortization of discount on investment in corporate bonds	(41)	(18)	(41)
Equity in losses of equity method investees	82	99	112
Deferred income tax expense (benefit)	2,020	(3,850)	(983)
Inventories write downs	1,813	2,210	1,804
Changes in operating assets and liabilities:			
Accounts receivable	(1,921)	12,696	(9,264)
Accounts receivable from related parties	6,542	21,178	(3,244)
Inventories	17,873	(34,613)	3,903
Prepaid expenses and other current assets	1,890	908	(100)
Accounts payable	(12,224)	(27,918)	1,704
Income taxes payable	(2,431)	4,045	(3,912)
Other accrued expenses and other current liabilities	(316)	829	683
Other liabilities	(980)	(34)	(906)
<b>Net cash provided by (used in) operating activities</b>	<u>17,426</u>	<u>(20,271)</u>	<u>(3,497)</u>
<b>Cash flows from investing activities:</b>			
Purchase of property and equipment	(7,128)	(1,233)	(8,674)
Proceeds from disposal of property and equipment	7	---	---
Purchase of available-for-sale marketable securities	(5,193)	(9,184)	(2,840)
Disposal of available-for-sale marketable securities	5,158	6,340	9,501
Proceeds from disposal of equity method investment	371	---	---
Purchase of investment securities	---	(1,000)	---
Decrease (increase) in other assets	65	(677)	(32)
<b>Net cash used in investing activities</b>	<u>(6,720)</u>	<u>(5,754)</u>	<u>(2,045)</u>

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

	<b>Three Months Ended September 30, 2011</b>	<b>2010</b>	<b>Three Months Ended June 30, 2011</b>
	<u>2011</u>	<u>2010</u>	<u>2011</u>
<b>Cash flows from financing activities:</b>			
Distribution of cash dividends	\$ (21,224)	(44,097)	---
Proceeds from issuance of new shares by subsidiaries	10	117	10
Payments to acquire ordinary shares for retirement	(2,062)	(4,210)	(67)
Proceeds from disposal of subsidiary shares to noncontrolling interests by Himax Technologies Limited	---	364	---
Proceeds from disposal of subsidiary shares to noncontrolling interests by Himax Imaging, Inc.	720	---	---
Purchase of subsidiary shares from noncontrolling interests	(1,383)	---	(67)
Pledge of restricted cash equivalents and marketable securities	(27,191)	(44,004)	(4)
Proceeds from borrowing of short-term debt	27,200	44,000	---
<b>Net cash used in financing activities</b>	<u>(23,930)</u>	<u>(47,830)</u>	<u>(128)</u>
<b>Effect of foreign currency exchange rate changes on cash and cash equivalents</b>	<u>(9)</u>	<u>27</u>	<u>38</u>
<b>Net decrease in cash and cash equivalents</b>	(13,233)	(73,828)	(5,632)
<b>Cash and cash equivalents at beginning of period</b>	103,887	153,967	109,519
<b>Cash and cash equivalents at end of period</b>	<u><b>\$ 90,654</b></u>	<u><b>\$ 80,139</b></u>	<u><b>\$ 103,887</b></u>
 <b>Supplemental disclosures of cash flow information:</b>			
Cash paid during the period for:			
Interest expense	<u>\$ 188</u>	<u>\$ ---</u>	<u>\$ 79</u>
Income taxes	<u>\$ 95</u>	<u>\$ 45</u>	<u>\$ 5,979</u>
 <b>Supplemental disclosures of non-cash financing activities:</b>			
Dividend Payable	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 21,227</u>

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

	<b>Nine Months Ended September 30,</b>	
	<b>2011</b>	<b>2010</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 4,478	\$ 18,561
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	9,613	10,351
Share-based compensation expenses	3,921	5,240
Loss on disposal of property, plant and equipment	114	34
Gain on disposal of equity method investment	(313)	---
Gain on disposal of marketable securities, net	(351)	(99)
Unrealized loss (gain) on conversion option	902	(62)
Interest income from amortization of discount on investment in corporate bonds	(130)	(18)
Equity in losses of equity method investees	275	264
Deferred income tax expense (benefit)	1,279	(1,586)
Inventories write downs	6,381	6,445
Changes in operating assets and liabilities:		
Accounts receivable	(14,071)	(19,373)
Accounts receivable from related parties	15,587	39,661
Inventories	6,943	(50,341)
Prepaid expenses and other current assets	1,465	2,468
Accounts payable	(2,376)	18,271
Income taxes payable	(6,291)	(2,445)
Other accrued expenses and other current liabilities	625	1,094
Other liabilities	(1,897)	(636)
<b>Net cash provided by operating activities</b>	<b>26,154</b>	<b>27,829</b>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(17,653)	(5,341)
Proceeds from disposal of property and equipment	7	---
Purchase of available-for-sale marketable securities	(14,047)	(19,018)
Disposal of available-for-sale marketable securities	22,392	23,044
Proceeds from disposal of equity method investment	371	---
Purchase of investment securities	---	(2,024)
Purchase of equity method investments	---	(897)
Decrease (increase) in other assets	34	(474)
<b>Net cash used in investing activities</b>	<b>(8,896)</b>	<b>(4,710)</b>

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

	<b>Nine Months Ended September 30,</b>	
	<b>2011</b>	<b>2010</b>
<b>Cash flows from financing activities:</b>		
Distribution of cash dividends	\$ (21,224)	(44,097)
Proceeds from issuance of new shares by subsidiaries	41	258
Payments to acquire ordinary shares for retirement	(2,129)	(10,755)
Proceeds from disposal of subsidiary shares to noncontrolling interests by Himax Technologies Limited	---	876
Proceeds from disposal of subsidiary shares to noncontrolling interests by Himax Imaging, Inc.	720	---
Purchase of subsidiary shares from noncontrolling interests	(1,911)	(147)
Pledge of restricted cash equivalents and marketable securities	(26,193)	(44,066)
Proceeds from borrowing of short-term debt	27,200	204,000
Repayment of short-term debt	---	(160,000)
<b>Net cash used in financing activities</b>	<b>(23,496)</b>	<b>(53,931)</b>
<b>Effect of foreign currency exchange rate changes on cash and cash equivalents</b>	50	27
<b>Net decrease in cash and cash equivalents</b>	(6,188)	(30,785)
<b>Cash and cash equivalents at beginning of period</b>	96,842	110,924
<b>Cash and cash equivalents at end of period</b>	<b>\$ 90,654</b>	<b>\$ 80,139</b>
 <b>Supplemental disclosures of cash flow information:</b>		
Cash paid during the period for:		
Interest expense	\$ 364	\$ 5
Income taxes	\$ 6,280	\$ 8,288

**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:**

	<b>Three Months Ended September 30,</b>		<b>Three Months Ended June 30,</b>
	<b>2011</b>	<b>2010</b>	<b>2011</b>
Revenues	\$ 162,121	\$ 138,281	\$ 160,579
Gross profit	29,987	31,679	29,897
Add: Share-based compensation – Cost of revenues	96	174	11
Gross profit excluding share-based compensation	30,083	31,853	29,908
Gross margin excluding share-based compensation	18.6%	23.0%	18.6%
Operating income (loss)	(523)	(675)	3,411
Add: Share-based compensation	4,473	7,426	1,159
Operating income excluding share-based compensation	3,950	6,751	4,570
Add: Acquisition-related charges –Intangible assets amortization	548	548	548
Operating income excluding share-based compensation and acquisition-related charges	4,498	7,299	5,118
Operating margin excluding share-based compensation and acquisition-related charges	2.8%	5.3%	3.2%
Net income attributable to Himax stockholders	642	447	3,624
Add: Share-based compensation, net of tax	3,729	6,318	982
Add: Acquisition-related charges, net of tax	423	284	423
Net income attributable to Himax stockholders excluding share-based compensation and acquisition-related charges	4,794	7,049	5,029
Net margin attributable to Himax stockholders excluding share-based compensation and acquisition-related charges	3.0%	5.1%	3.1%

\*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 (loss) 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:**

	<b>Nine Months Ended September 30,</b>	
	<b>2011</b>	<b>2010</b>
Revenues	\$ 463,793	\$501,486
Gross profit	88,194	104,723
Add: Share-based compensation – Cost of revenues	118	217
Gross profit excluding share-based compensation	88,312	104,940
Gross margin excluding share-based compensation	19.0%	20.9%
Operating income	5,430	22,479
Add: Share-based compensation	6,794	11,111
Operating income excluding share-based compensation	12,224	33,590
Add: Acquisition-related charges –Intangible assets amortization	1,643	1,644
Operating income excluding share-based compensation and acquisition-related charges	13,867	35,234
Operating margin excluding share-based compensation and acquisition-related charges	3.0%	7.0%
Net income attributable to Himax stockholders	6,989	21,553
Add: Share-based compensation, net of tax	5,695	9,685
Add: Acquisition-related charges, net of tax	1,268	1,041
Net income attributable to Himax stockholders excluding share-based compensation and acquisition-related charges	13,952	32,279
Net margin attributable to Himax stockholders excluding share-based compensation and acquisition-related charges	3.0%	6.4%

\*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 ADS Attributable to Himax stockholders Excluding Share-based Compensation and Acquisition-Related Charges:**

	<b>Three Months Ended September 30, 2011</b>	<b>Nine Months Ended September 30, 2011</b>
Diluted GAAP EPS attributable to Himax stockholders	\$0.004	\$0.039
Add: Share-based compensation per ADS	\$0.021	\$0.032
Add: Acquisition-related charges per ADS	\$0.002	\$0.007
 Diluted non GAAP EPS attributable to Himax stockholders excluding share-based compensation and acquisition- related charges	 \$0.027	 \$0.079

Numbers do not add up due to rounding