



Himax

Nasdaq : HIMX

Investor Presentation

May, 2016

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 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, 2015 filed with the SEC, as may be amended. Images of devices depicted in this presentation may be representative of those in which Himax has specification, or for reference-only and may not be associated with actual bill-of-material or design-win in the displayed image. Any association of such, without a confirmed disclosure of such by the Company or the Company's customer are coincidental. Himax is under strict customer disclosure guidelines on the release of such information.

30 years of digital imagery expertise



1990's

Founder B.S. Wu pioneers flat panel technologies at Chimei Electronics as CTO



2000's

Chairman Wu establishes Himax to meet DDIC demand for large panels and fast-growing medium and small panels



2010's

Himax gains market share with design wins with leading technology products companies, worldwide



and beyond...

Himax leads LCOS development and innovation of new display technologies..



CORPORATE TIMELINE

June 2001

Himax Taiwan formed by B.S. Wu

October 2004

Forms Himax Display to focus on LCOS microdisplay technology

March 2006

Himax IPOs on Nasdaq. Raises \$147M with Morgan Stanley

2009

GFC reduces sales ~\$900 million to ~\$700 million. Refocuses effort on non-driver products

June 2013

Himax completes take out financing of Chimei

Sept 2015

AR business hits inflection point with pilot production shipment made to a major customer

December 2003

Himax Taiwan begins trading on Emerging Stock Board (TW) under "3222"

August 2005

Himax Taiwan delists from Emerging Stock Board

February 2007

Himax acquired Wisepal, and forms Himax Semiconductor to focus on small and medium sized DDICs

2010-2012

Non-driver sales increase gross margins and BOM sales opportunities

July 2013

Signs investment agreement with Google

Jan - Mar 2016

Mass production and shipment of AR related LCOS and WLO, AMOLED DDIC, and in-cell TDDI

1 **Leading Display Driver Provider**

- Worldwide leading display driver player with a wide range of drivers for panels of all sizes and in-house intellectual property
- Image technology solutions provider

2 **Diversifying Revenues and Customers**

- DDIC market share leader
- Top tier customers globally
- Diversifying revenues from DDIC to CMOS image sensors, LCOS microdisplay , touch panel controllers, timing controllers, power management IC, and ASIC service
- LCOS & WLO product lines to improve corporate profit margin

3 **Operational and Public Market Performances**

- Long term profitability potential with no fundraising since IPO
- Disciplined cost control
- Stable cash flow
- Committed to high dividend payout ratio
- Debt-free: Short-term debt offset by deposits of restricted cash reported under current assets

4 **Innovative New Products Capturing Growth Markets**

- Automotive applications and AR/VR related businesses
- Core driver IC business benefit from technology integration and market leader position
- Growth from non-driver products, such as LCOS microdisplay solutions and WLO, touch panel controllers and integrated touch and display ICs, CMOS image sensors, and timing controllers

5 **Visionary Management Team**

Fiscal Year December 31st

Last-Traded Price (05/11/16) \$10.76

Basic Weighted Ave. Out. ADS 172.3M

Diluted Weighted Ave. Out. ADS 172.4M

Equivalent ADS Out. 171.9M

Market Capitalization (05/11/16) \$1.9B

Insider Ownership 31.5%

* Insider ownership includes executives and board members



Top 20 Institutional Shareholders

Baillie Gifford & Co. Ltd	Polar Capital
Standard Life Investments	Garelick Capital
Fidelity Management & Research (HK)	Deutsche Bank Trust Company Americas
Shannon River	JP Morgan Securities
Columbus Circle	Bogle Investment Management
Quentec Asset Management	Renaissance Technologies
Wellington Management Company	Blackrock Investment Management (UK)
Prince Street Capital	Oxford Asset Management
Ignis Investment Service	Fiera Capital
UBS Financial Services	Validea Capital

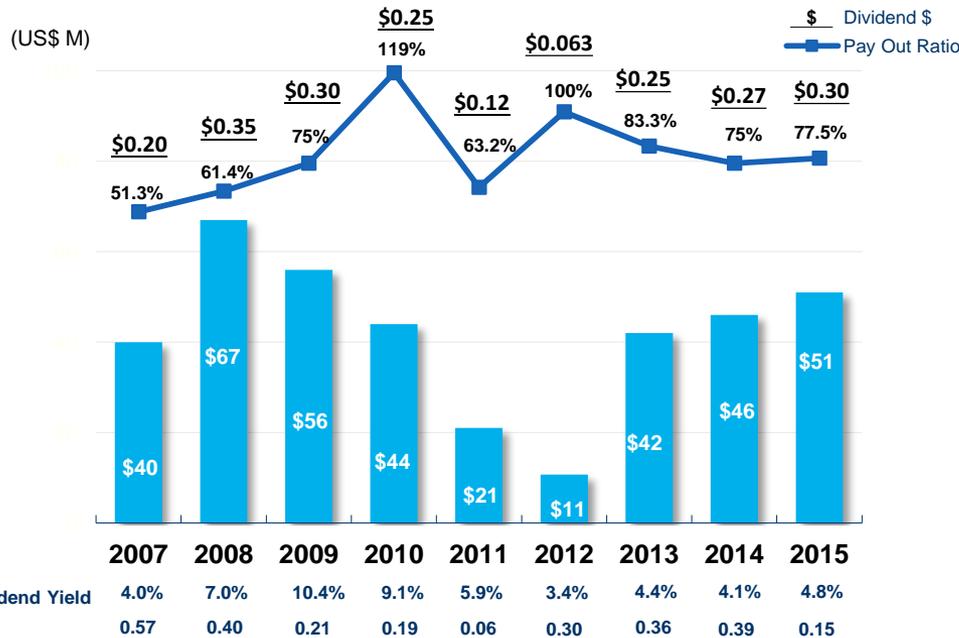
Covering Analysts

Bank of America Merrill Lynch	Pending
Brean Capital, LLC	Mike Burton
Craig-Hallum Capital Group LLC	Anthony J. Stoss
Credit Suisse	Jerry Su
Lake Street Capital Markets	Jaeson Schmidt
Morgan Stanley	Charlie Chan
Nomura Securities	Aaron Jeng
Northland Securities, Inc.	Tom Sepenzis
Oppenheimer & Co. Inc.	Andrew Uerkwitz
RW Baird & Co.	Tristan Gerra
Topeka Capital Markets	Suji De Silva
Edison Investment Research Limited	Dan Scovel*
Rosenblatt Securities	Jun Zhang*

*Analysts without models or regular contact with the Company

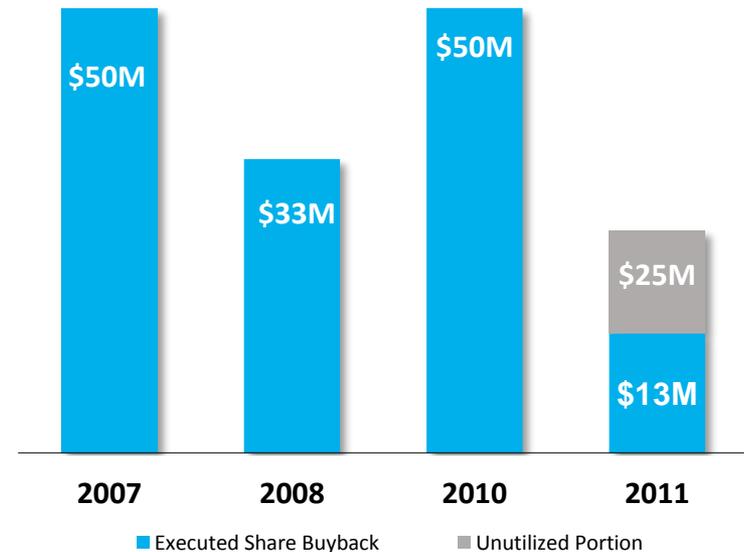
Dividends

- Distributed a total of \$378 million of dividend since IPO (2015 payout in July)
- Dividends referenced primarily on prior year's profitability



Share Buy Back

- Initiated four share buyback programs totaling \$158 million since 2007
- Repurchased a total of 46.5 million ADSs through Mar 31, 2016 at average purchase price per ADS: \$3.15



Summary financials and guidance



QUARTER	<u>1Q2016</u>	<u>1Q2015</u>	<u>4Q2015</u>	<u>YoY</u>	<u>QoQ</u>
Revenues	\$180.3M	\$179.0M	\$178.0M	+0.7%	+1.3%
Gross Margin (%)	26.2%	25.7%	22.9%	+0.5%	+3.3%
GAAP Net Income*	\$13.1M	\$12.6M	\$6.1M**	+4.2%	+113.5%
GAAP Earnings per ADS	\$0.076	\$0.073	\$0.036**	+4.1%	+113.4%
Non-GAAP Net Income*	\$13.5M	\$13.1M	\$6.5M**	+2.9%	+107.2%
Non-GAAP Earnings per ADS	\$0.078	\$0.076	\$0.038**	+2.8%	+107.1%
YEAR	<u>FY2015</u>		<u>FY2014</u>		<u>YoY</u>
Revenues	\$691.8M		\$840.5M		-17.7%
Gross Margin (%)	23.6%		24.5%		-0.9%
GAAP Net Income	\$25.2M* / **		\$66.6M* / ***		-62.2%
GAAP Earnings per ADS	\$0.146* / **		\$0.387* / ***		-62.2%
Non-GAAP Net Income	\$30.6M**		\$76.0M***		-59.7%
Non-GAAP Earnings per ADS	\$0.178**		\$0.442***		-59.7%
2Q2016 GUIDANCE					
Revenues	To be up 7.5 to 12.5% sequentially, representing a 14.6 to 19.9% year-over-year growth				
Gross Margin	To be around 26%, representing an increase of 220 basis points year-over-year				
GAAP Earnings per diluted ADS	8.5 to 10.5 cents per diluted ADS, representing a 66.7 to 105.9% year-over-year growth				

* 2014 GAAP numbers include grant of Restricted Share Units at the end of September at \$9.3 million

* 2015 GAAP numbers include grant of Restricted Share Units at the end of September at \$4.5 million

** An additional income tax charge due to FX impact of \$1.9 million in 4Q15, and \$3.6 million in 15FY

*** An additional income tax charge due to FX impact of \$5.6 million in 14FY

A global semiconductor company



- Fabless semiconductor company with world leading visual imaging processing technologies
- Global market leader in TFT-LCD display driver and timing controller ICs
- 200+ customers across Taiwan, China, Japan, Korea, U.S. and Europe
- 2,819 patents granted and 511 patents pending approval worldwide as of Mar 31st, 2016
- NASDAQ-listed since March 2006 (HIMX)
- Around 1,900 employees worldwide; more than 90% are engineers
- Headquartered in Tainan, Taiwan with 5 R&D centers in Taiwan and U.S., out of a total of 20 offices across Taiwan, China, Japan, Korea and U.S.



Irvine, CA

Design
Investor
Relations

Campbell, CA

Design
Sales
Technical
Support



Tainan, Taiwan

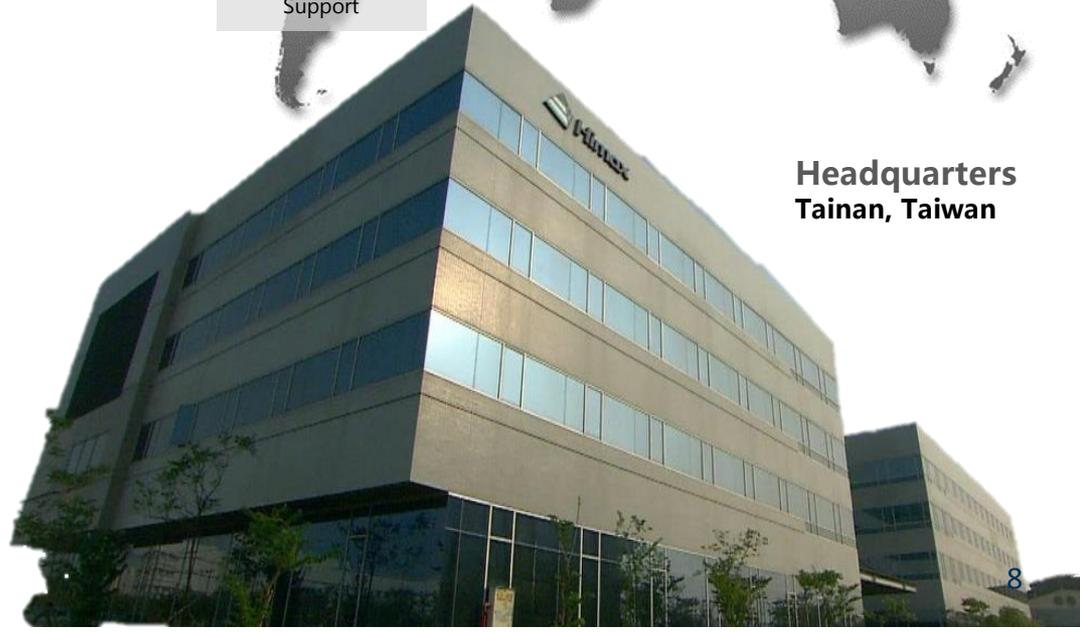
Headquarters
Design
Manufacturing
Operations
Sales/Marketing
Technical support



Cheonan Suwon

Sales
Technical
Support

Headquarters Tainan, Taiwan





Himax
Nasdaq: HIMX

Himax Technologies, Inc.

HIMAX TECHNOLOGIES, Ltd.

- TFT-LCD Driver and AMOLED Driver
- TCON and P-Gamma OP
- Touch Controllers
- On-cell Touch
- Pure in-cell Touch (TDDI)
- Multi-level Force Touch
- ASIC Service and IP Licensing
- Power Management ICs
- Wafer Level Optics and modules for CIS
- Light guide
- In-house Color Filter Fab for LCOS and CIS

HIMAX DISPLAY, Inc.

- LCOS Modules for Head-Mounted Display, Head-up Display and Pico-projector Applications

HIMAX IMAGING, Ltd.

- CMOS Image sensors

Himax inside consumer electronics



DISPLAY DRIVERS



WAFER LEVEL OPTICS



CMOS IMAGE SENSORS



ASIC SERVICE & IP LICENSING



LCOS MICRODISPLAYS



TOUCH PANEL CONTROLLERS



POWER MANAGEMENT IC & LED DRIVERS



TIMING CONTROLLERS

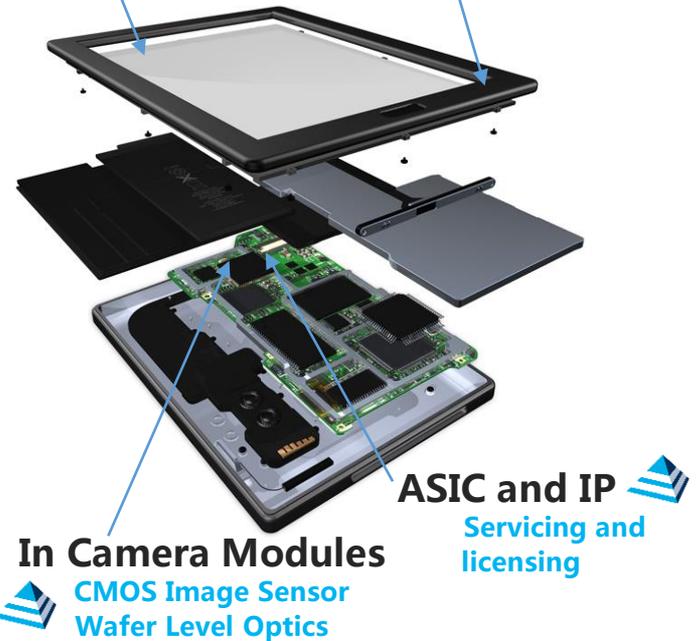


In Displays

Display Driver
TCON
PMIC
LED Driver
P-gamma OP

On Touch Panels

Controller IC



In Camera Modules
CMOS Image Sensor
Wafer Level Optics

ASIC and IP
Servicing and
licensing

In AR Devices
LCOS, WLO

In VR Devices
OLED SOC

DISPLAY DRIVER

WAFER FABRICATION



GOLD BUMPING



PROCESSED TAPE



CHIP PROBE TESTING



ASSEMBLY AND TESTING



CMOS IMAGE SENSOR BACK-END

PACKAGE



FT



CHIP PROBE TESTING



RW



SOC

CHIP PROBE TESTING



PACKAGE



FT



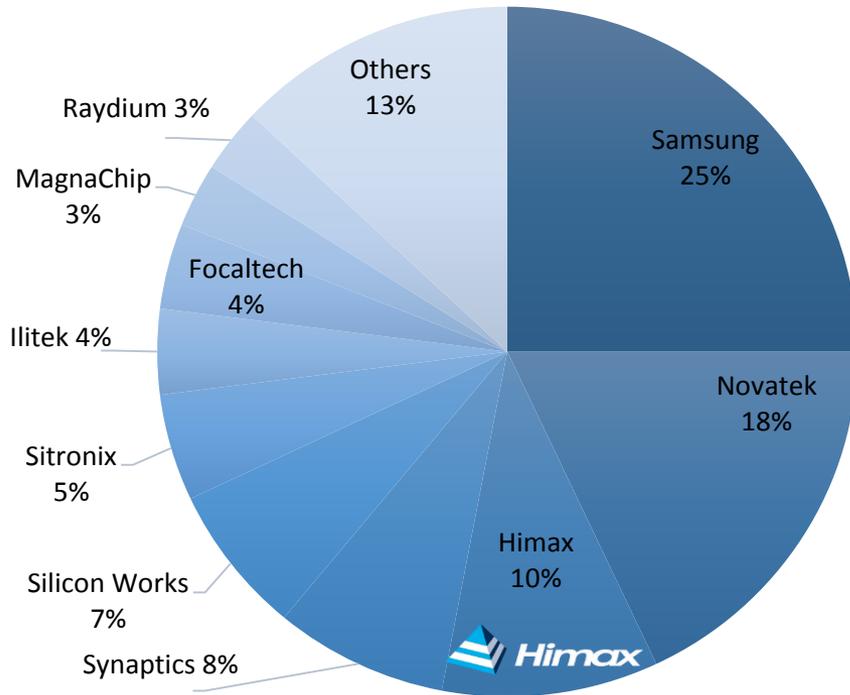
Product Lines & 6 Growth Opportunities



DDIC market share



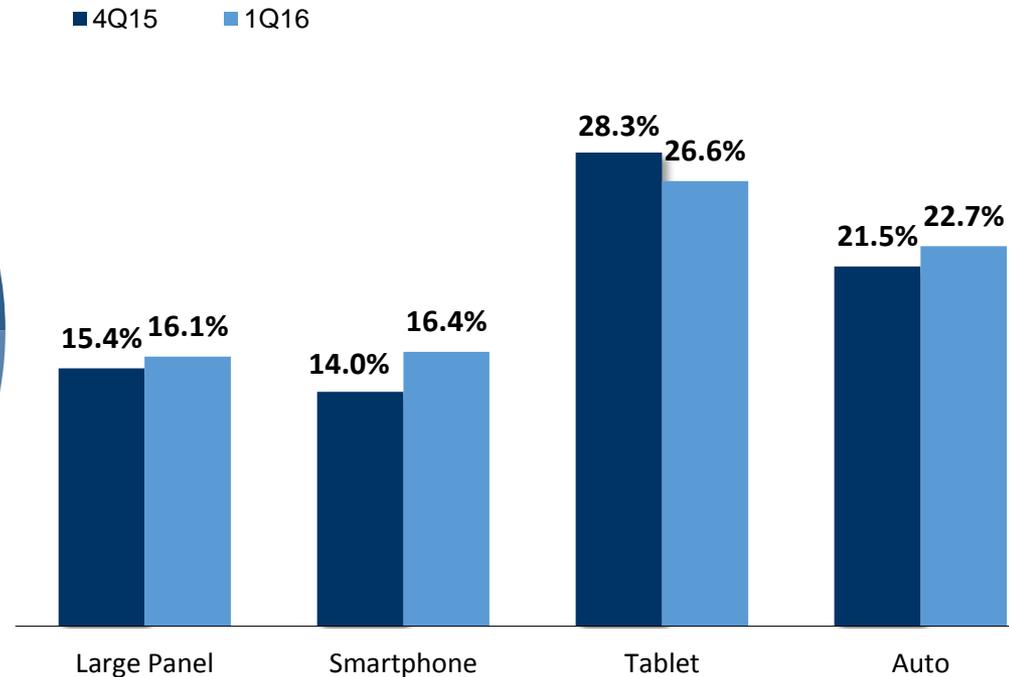
2015 Q4 Driver Market Share



Source: IHS iSupply and company estimates (This covers all TFT-LCD and OLED DDICs)

- One of the leading players in display driver ICs
- Key differentiation from IC peers - total solution offering of image processing related technologies and leverage of existing strength in mobile devices

HIMX Driver IC Market Share by Application



Source: Trendforce, IHS iSupply and Company Estimates

- Large panel DDIC market share expanding across panel makers, especially in China due to their capacity expansion, in-sourcing strategy, and growing export business
- Improving smartphone market share due to China smartphone market rebound and AMOLED DDIC shipments
- Solidly market share leader position in tablet and auto applications

1

Grow large panel DDIC unit sales and market share



Market Trends

Continuously aggressive new Gen 8.5 and Gen 10 TFT-LCD capacity expansion in China with a special focus on advanced display technologies

Leading Chinese panel maker's TV panel market share has become world No. 3 in 2016 and by 2019, its total output across applications will likely be world No.3

Chinese local TV set makers have started to in-source more and Chinese panel makers have started to export 4K TV penetration continues to accelerate

HIMX Strategies and Market Position

- Leading market share in China
- Himax stands strong as OEMs actively seeking total solution providers for better performance, supply chain leverage, and more reliable engineering support
- Increasing 4K penetration: more shipments to Chinese panel makers and penetrating into Korean customers

Panel Maker Large Panel Total Output Forecast

Unit: K substrate

LCM	Tech	2014	2015	2016	2017	2018
BOE	LCD	2,985 (+1 G8.5 fab)	4,056 (+1 G8.5 fab)	5,034	5,034 (+1 G8.5 fab)	6,744 (+1 G10 fab)
CEC Panda	LCD	1,053 (+1 G8.5 fab)	1,281 (+1 G8.6 fab)	1,860	1,860	2,130
CSOT	LCD	1,641	2,130 (+1 G8.5 fab)	2,850 (+1 G8.5 fab)	3,477	3,600
INX	LCD	9,186	9,420	9,480	9,855 (+1 G8 fab)	9,960
AUO	AMOLED	120	120	120	120	120
Samsung	LCD	8,640	8,985	9,531	9,720	9,675
LGD	AMOLED	138	441	726	852 (+2 G6 fab)	1,230
	LCD	9,420 (+1 G8 fab)	9,282	9,099 (+1 G8 fab)	8,583	7,953

Source: IHS iSupply 1Q16



CUSTOMERS



2

Grow S/M panel DDIC Launch new products



Market Trends

Korean, Japanese and Chinese smartphone customers seeking product differentiation with AMOLED panels

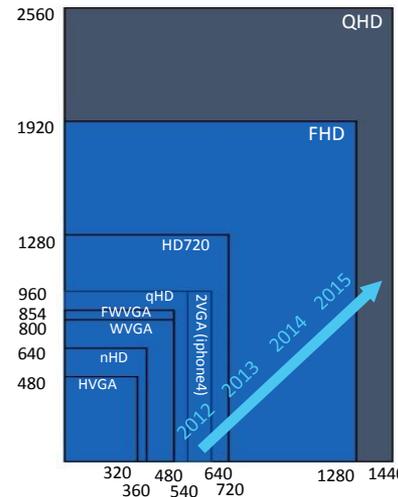
Automotive IC market to grow at the highest rate among all applications at a 6.7% CAGR from 2014 to 2019

Virtual Reality (VR) headsets using OLED displays is a new market

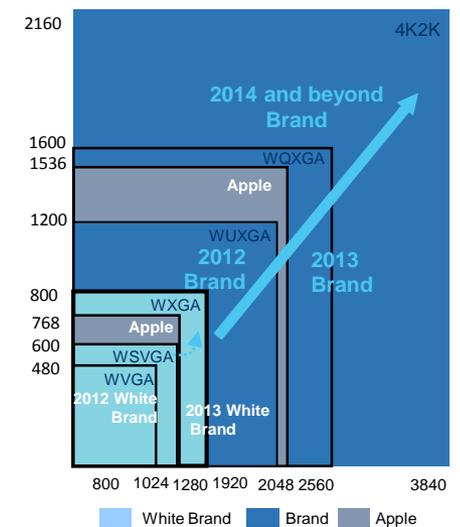
HIMX Strategies and Market Position

- Global and China smartphone market share leader as an independent DDIC company
- Global market share leader in tablet and automotive applications
- Capitalize on resolution migration and panel technology advancement trend by working closely with panel makers and smartphone makers
- Anticipate AMOLED DDICs to kick off a new growth cycle for smartphone and VR applications in 2016

Smartphone Display Trends



Tablet Display Trends



CUSTOMERS



3

LCOS Microdisplay Design, manufacture, ship



Market Trends

AR product development for business, industrial, search, gaming, social media, military, toy, automotive and consumer markets

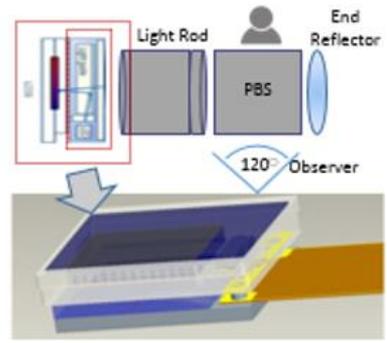
LCOS recognized as the technology of choice for microdisplay in AR devices

Limited companies provide the combination of R&D, joint development and manufacturing expertise

Significant barrier of entry to new market entrants and existing technology companies without scalable manufacturing

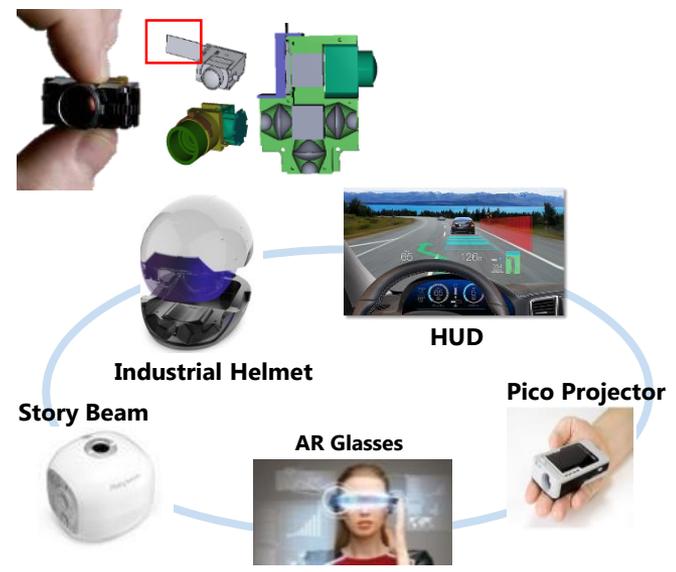
HIMX Strategies and Market Position

- The leader in microdisplay with patent protected technology, in-house facilities and shipping record > 2M units
- End applications include various glass type AR devices to toys, industrial helmets and head-up displays (HUD) for automotive
- Continue close collaboration with Google and other major AR players
- Inflection point in Sept 2015 and MP for multiple AR customers since 1Q16
- Increasing design wins with tier 1 customers on top of 30+ existing customers
- GM & OPM significantly higher than corporate average



- Front Lit LCOS Advantages**
- Compact Form Factor
 - Brightness
 - Power Efficiency
 - MP Efficiency & Readiness

Optical Engine with LCOS Module



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4 Touch panel controllers

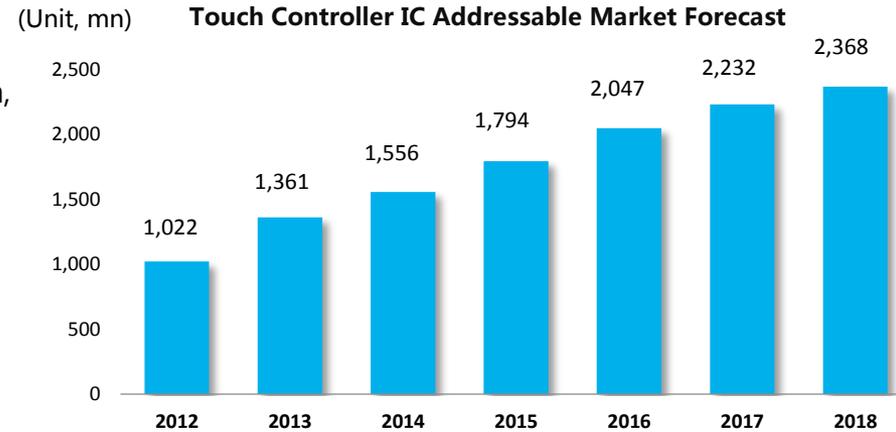


Market Trends

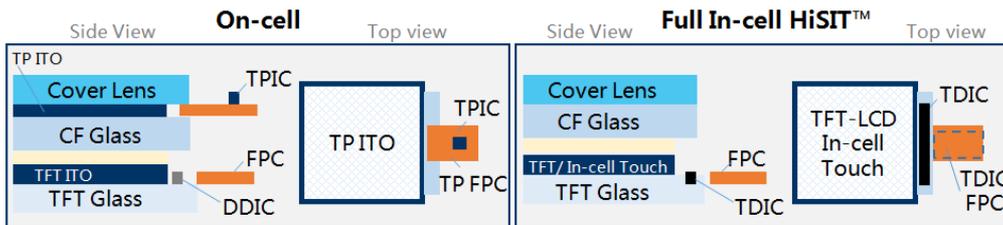
Integration of Display & Touch by panel makers and OEMs in Korea, China and Taiwan

HIMX Strategies and Market Position

- Rapid growth since 4Q11
- Acceleration of on-cell sales since late 1Q16
- TDDI pure in-cell solution pioneer and technology leader
 - ✓ Close partnerships with essentially all of the leading panel manufacturers, module houses, and OEMs
 - ✓ Volume shipment to start in 4Q16 and expect meaningful contribution in 2016 and beyond
- Secured design-wins of force touch products in leading smartphone makers' 2016 models



Source: DisplaySearch and company estimates



5 CMOS image sensors and WLO



Market Trends

CIS development accelerating in functionality and new applications
Advanced Wafer-Level Optics (WLO) is the future for AR devices, computational optics and 3D sensing

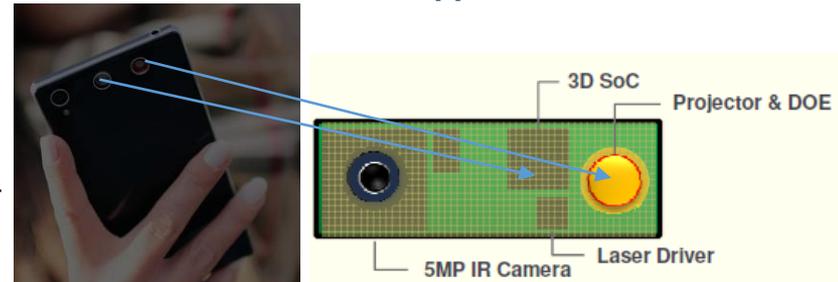
HIMX Strategies and Market Position

- One of the CIS market share leaders in notebook application
- Competitive CIS high sensitivity, low noise, cost effective, and low power consumption design with solid pixel technologies
- New smart sensor launch: ultra-low power computer vision and Near Infrared (NIR) sensors for 3D sensing
 - ✓ New territory with exciting growth potential
 - ✓ Applied in next-gen smartphone, tablets, AR/VR and IoT devices
- WLO applications include wave-guide for AR devices, array camera, and 3D scanning when integrated with Diffractive Optical Element (DOE)
 - ✓ In-house know-how and manufacturing facilities
 - ✓ Mass production of wave-guide for AR devices since 1Q16
 - ✓ DOE integrated laser projector for mobile devices, automotive, AR/VR devices and IoT applications

Ultra Low Power Sensor Applications



NIR Sensor + WLO & DOE Applications



Wafer Level Process

Integrated Optics
High Accuracy
Scalability In Production



Mini Package

Ultra Small Size & Package



Wave-Guide For AR Devices

Help Create Holographic Images
The Key Interface of AR



Best For IoT/Smart Sensing

Eye Tracking & Gesture Control
3D Depth Sensing



CUSTOMERS



6 Timing controllers



Market Trends

TCON becoming the key enabler of next generation ultra-high resolution panel development

Continuously aggressive new Gen 8.5 and Gen 10 TFT-LCD capacity expansion in China with a special focus on advanced display technologies

Chinese local TV set makers have started to in-source more

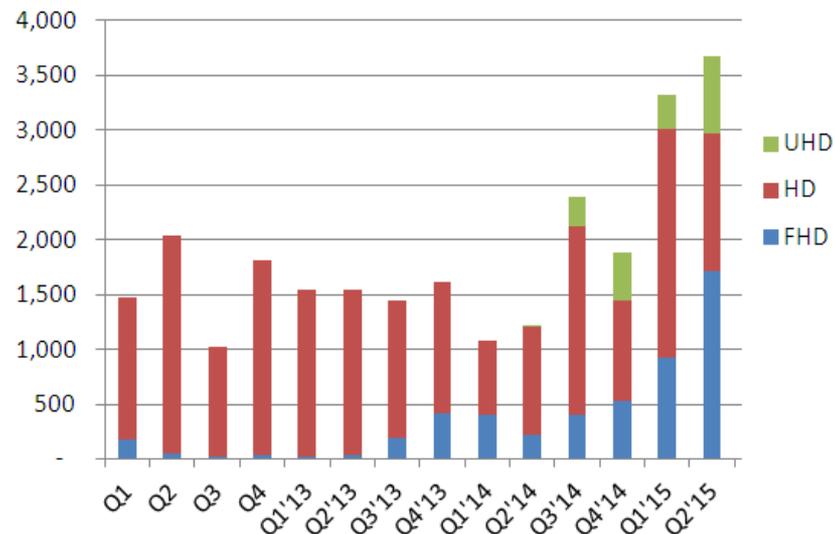
Chinese panel makers have started to export

HIMX Strategies and Market Position

- Benefitting from the increasing demand from China due to capacity expansion, in-sourcing and more export orders
- Himax's eDP 1.4 TCON is the first to debut in the market to support 4K2K resolution
 - ✓ Unique total solution pairing with Nvidia G-Sync and AMD FreeSync™ to eliminate screen tearing, minimize stutter, and address panel system power consumption challenge
- Possible eDP adoption in smartphones, tablets and VR devices
 - ✓ eDP outperforms MIPI when display resolution trends to QHD, 2K or even 4K

Himax eDP TCON in TV Gaining Momentum

(Unit, K)





2016 YTD

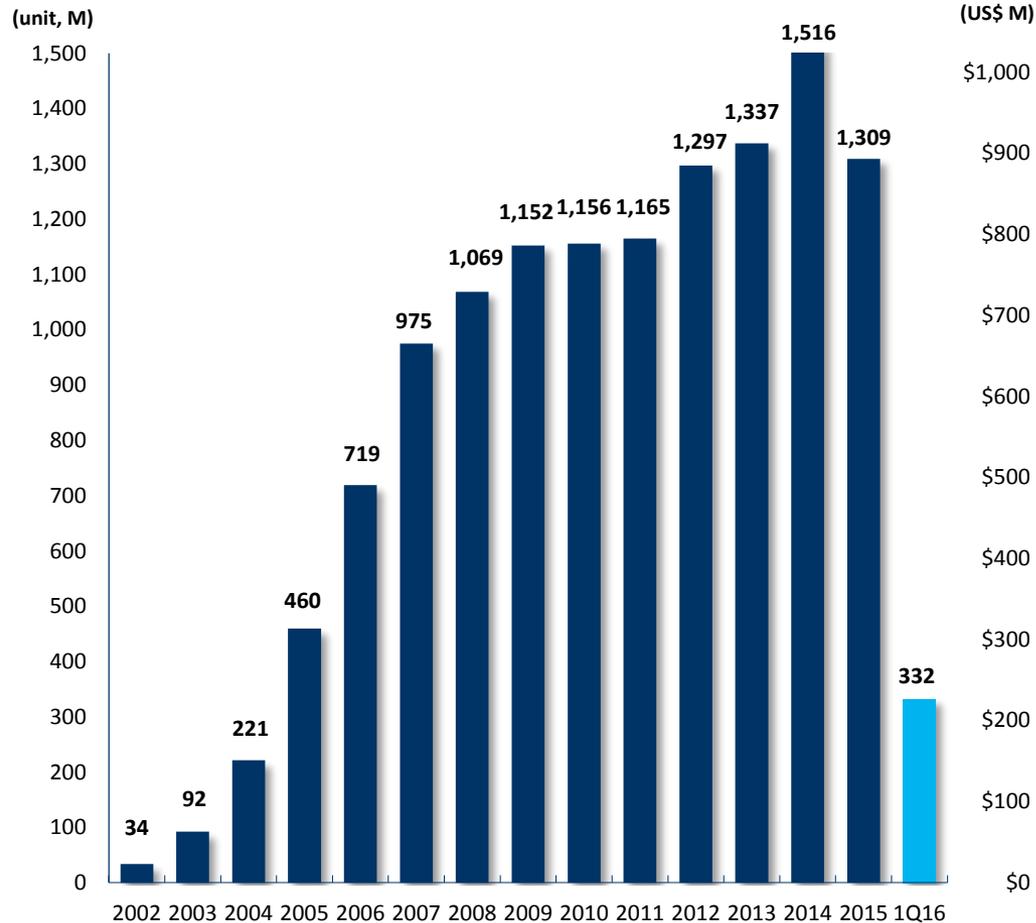
Financial Review



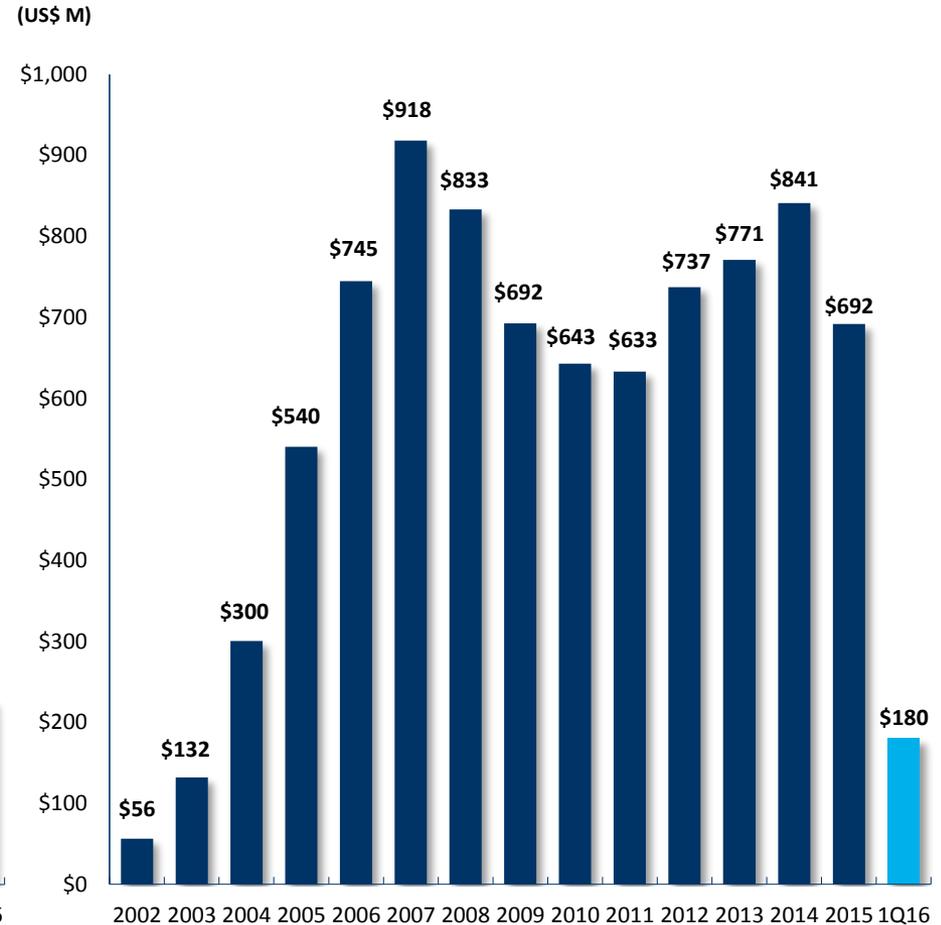
Shipment and revenue history



Unit Volume



Revenues

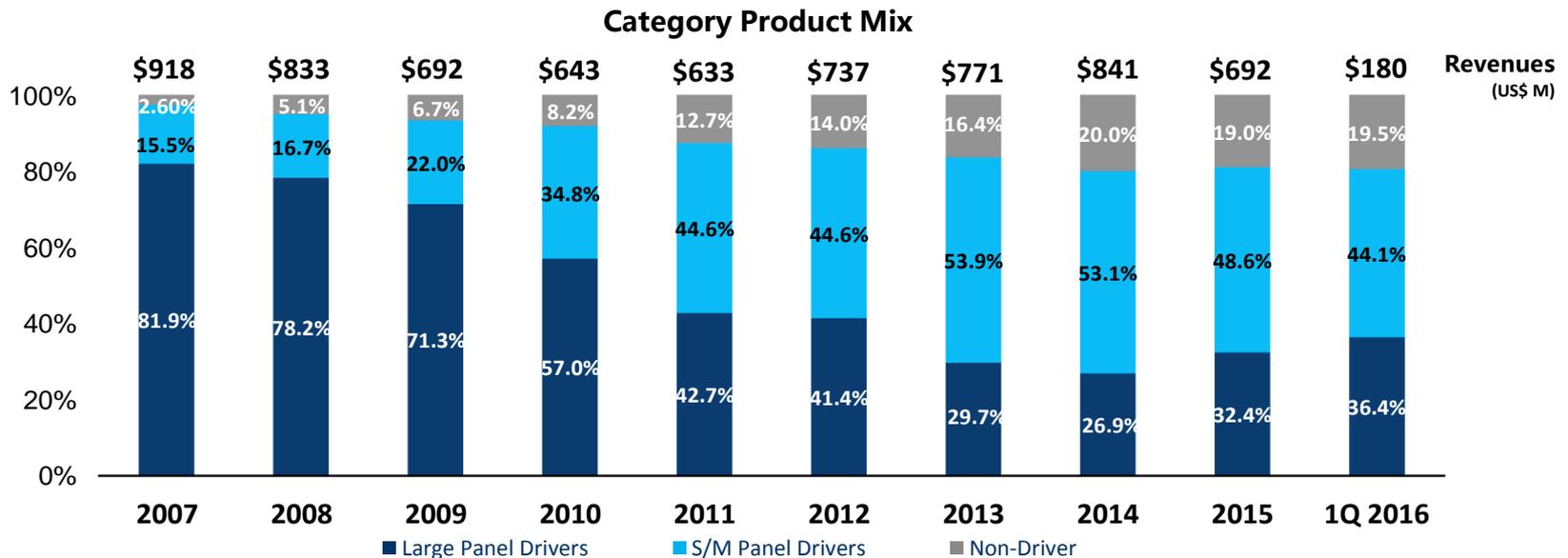


- Strong growth prospect across all major product lines in 2016

A better balanced product mix....



- Growing large-sized panel drivers in 2015 and beyond
- Global market share leader in small and medium-sized panel driver ICs
- Increasing non-driver sales to diversify sales base and improve gross margin
- LCOS and WLO:
 - ✓ Hit inflection point in Sept 2015 with small volume pilot shipment and mass production starting 1Q16
 - ✓ GM & OPM significantly higher than corporate average
 - ✓ Already seeing positive top and bottom line contribution in 2016
 - ✓ Account for a significant percentage of Himax's revenues in 2016 and beyond
- Total solution component provider

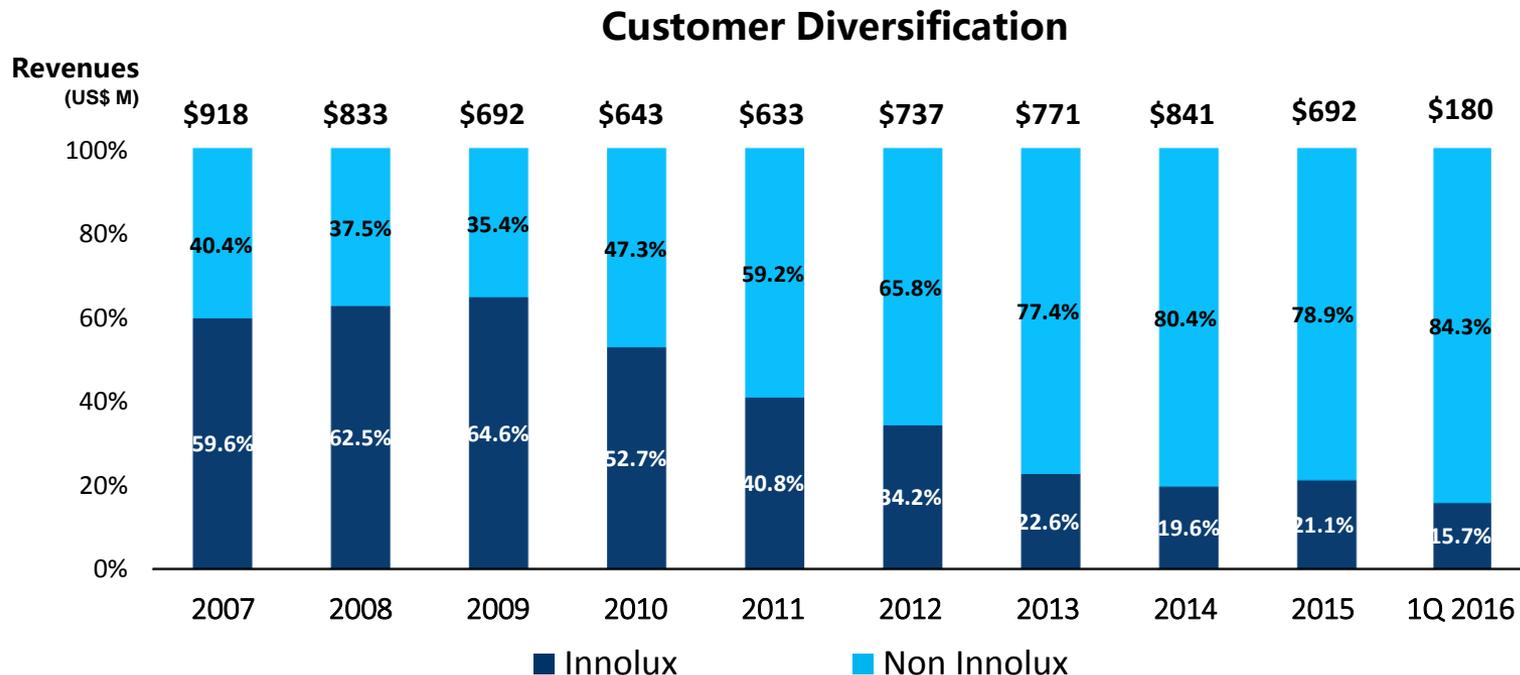


....and a diversified customer base



Largely reduced dependence on one single customer, Innolux.

- Diversifying product revenues by non-driver product wins and leveraging existing customers
- Innolux disposed of its entire equity holding in Himax on June 19th, 2013, ending its status as Himax's related party
- Growing shipment to new panel manufacturer customers in China, Korea and Taiwan since 2013
- Market share gain



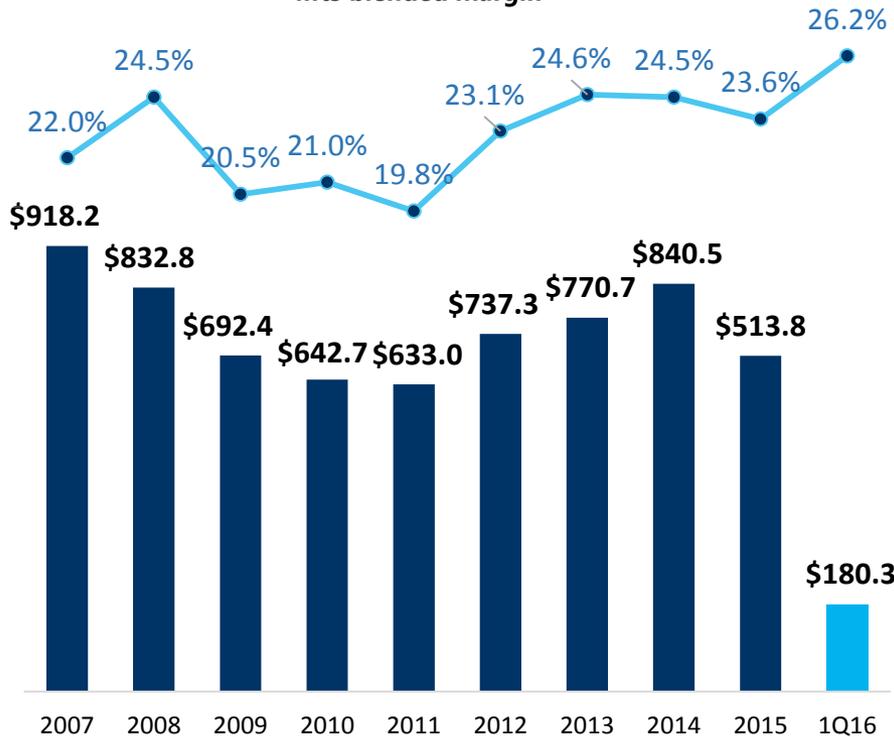
Gross margin is a key business focus



Revenues & Gross Margin %

(US\$M)

Better product mix lifts blended margin

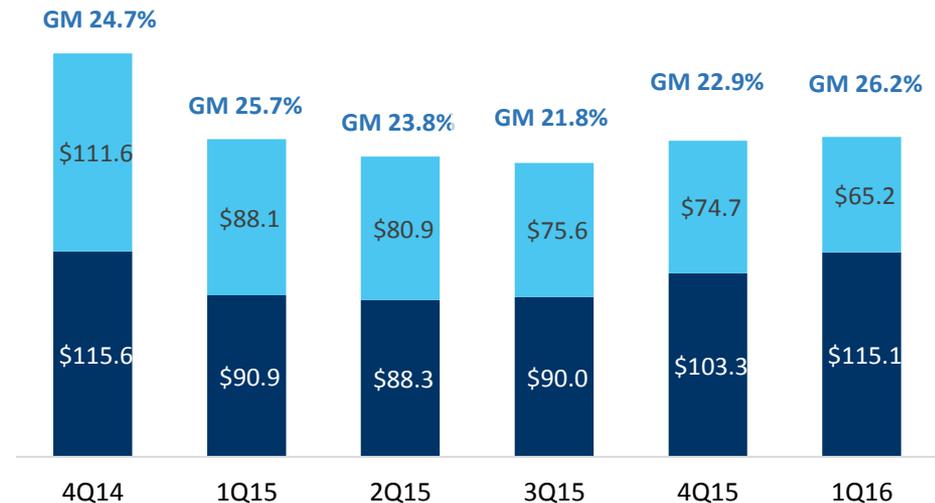


- Successful transformation since 4Q11, sales increased by 16.5%
- 2014 4Q marks highest revenue since 4Q 2008
- Positive about long term growth

Geographical Revenue Mix & Quarterly GM

(US\$M)

■ China Sales ■ ROW Sales



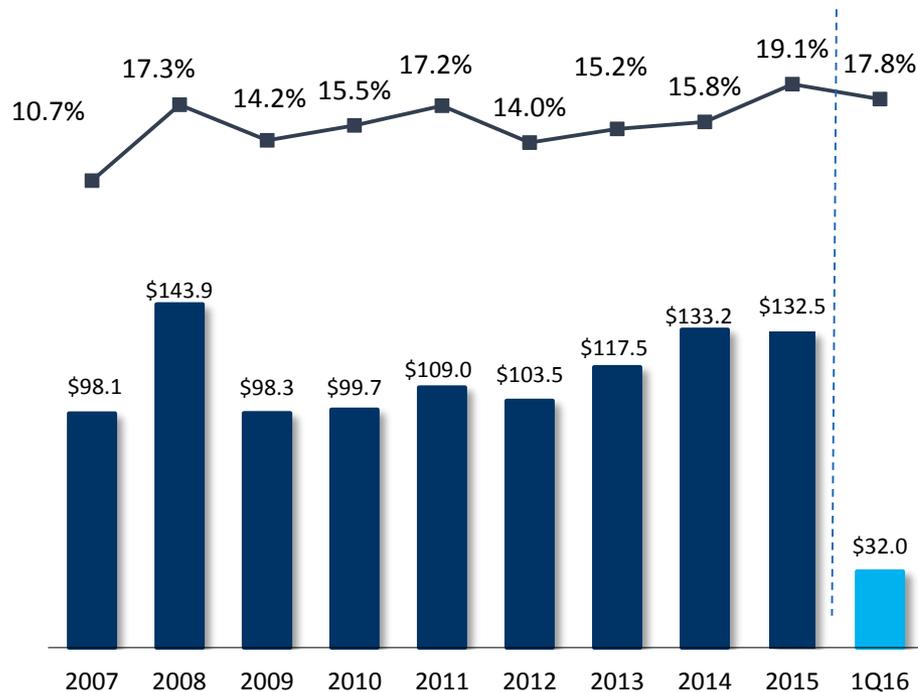
- GM retraction in 2015: higher mix of China sales and competitive pricing in the LDDIC market
- GM improvement in 1Q16
 - ✓ Resolution migration will improve GM of SMDDIC
 - ✓ Favorable product mix with higher non-driver sales %
 - ✓ Strong NRE from AR/VR related business
 - ✓ Effective cost reduction measures

The bottom line



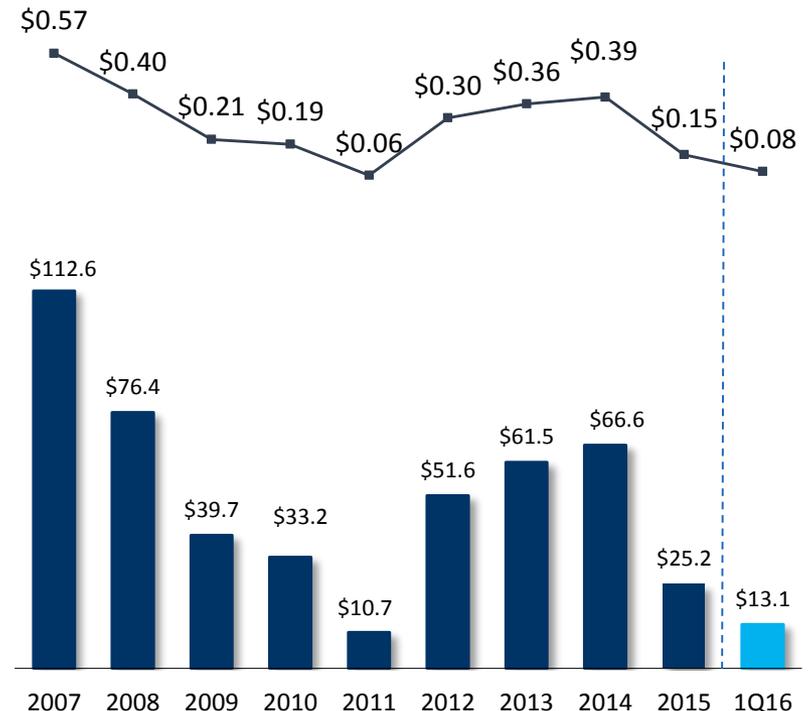
OPEX and % of Total Sales

(US\$M / %)



GAAP Net Income and EPS

(US\$M / US\$)

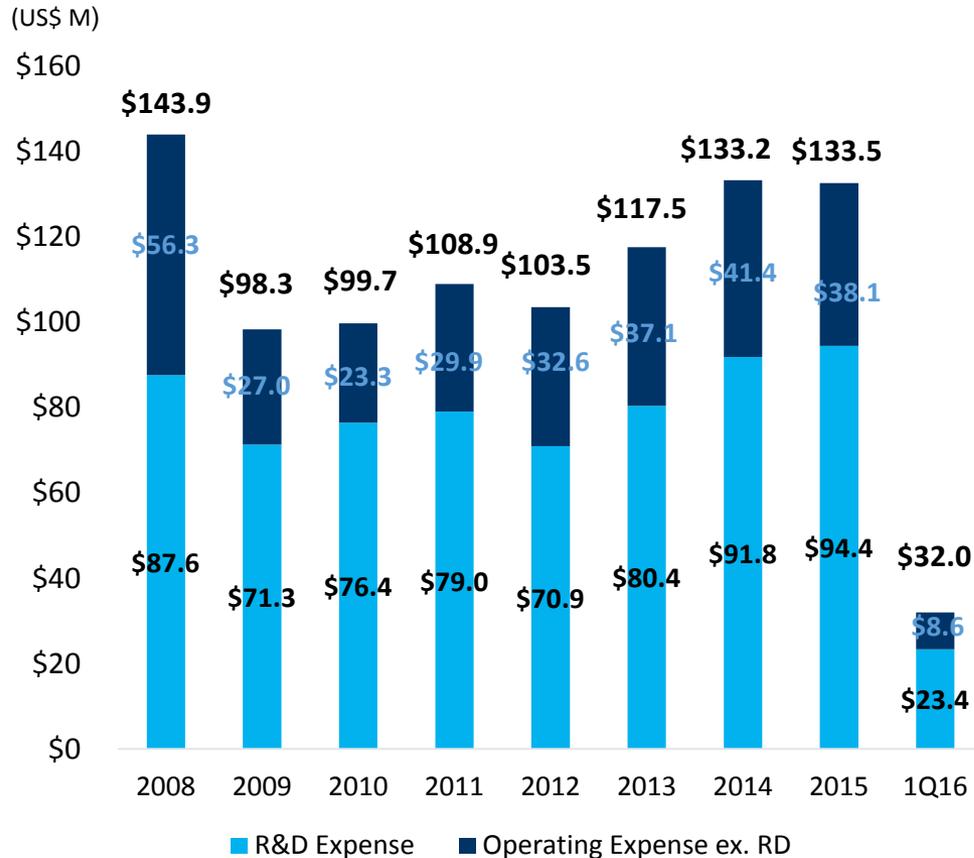


- Continue to streamline core business R&D efforts and execute expense control through product integration
- Despite ongoing expense control in response to macro uncertainties, still expanding in LCOS and WLO with exciting growth opportunities
- Resume profitability growth in 2016: Non-GAAP EPS for 1H16 expected to surpass 15FY
- Debt free

Performance history

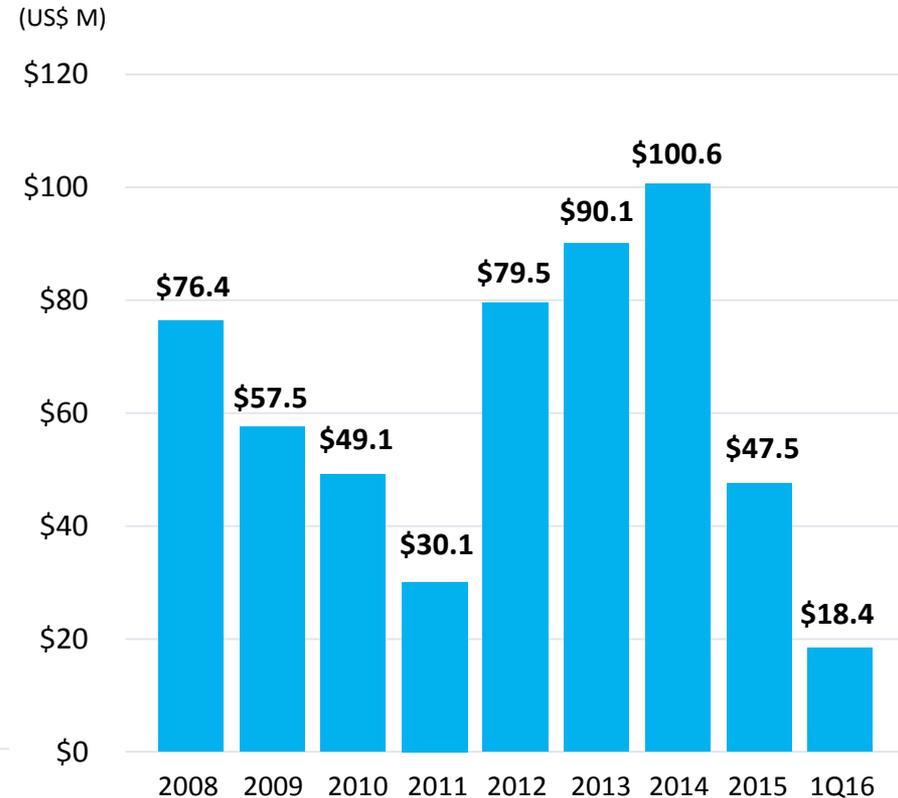


Operating and R&D Expenses



- More controlled OPEX
- Continuous R&D commitment
- 2014 and 2015 OPEX include RSU \$9.3mn & \$4.5mn

EBITDA



- Expect robust profit growth starting 2016 as a result of revenue growth and GM improvement
- Positive long term profitability outlook

Reported financials – Income Statement

March 31, 2016



For the Fiscal Period Ended	<u>1Q-2016</u> (Unaudited)	<u>1Q-2015</u> (Unaudited)	<u>4Q-2015</u> (Unaudited)	<u>Y2015</u> (Audited)	<u>Y2014</u> (Audited)
Revenues	\$180,319	179,045	\$177,977	\$691,789	\$840,542
Cost of revenues	133,144	133,013	137,243	528,651	634,660
Gross profit	47,175	46,032	40,734	163,138	205,882
Gross margin	26.2%	25.7%	22.9%	23.6%	24.5%
Operating expenses					
Research and development	23,402	21,300	22,575	94,422	91,839
General and administrative	4,581	4,493	4,544	18,470	20,192
Sales and marketing	4,013	4,591	5,004	19,574	21,126
Total operating expenses	31,996	30,384	32,123	132,466	133,157
Operating income	15,179	15,648	8,611	30,672	72,725
Non-operating income (loss)	(377)	(171)	363	2,195	12,769
Income before income tax and noncontrolling interest	14,802	15,477	8,974	32,867	85,494
Income tax expense	2,220	3,916	3,759	11,405	21,591
Net income	12,582	11,561	5,215	21,462	63,903
Add: Net loss attributable to the noncontrolling interest	506	1,004	915	3,733	2,695
GAAP Net income attributable to Himax shareholders	\$13,088	\$12,565	\$6,130	\$25,195	\$66,598
Non-GAAP Net income attributable to Himax shareholders	\$13,464	\$13,084	\$6,499	\$30,614	\$75,999
GAAP Earnings per ADS attributable to Himax shareholders (in cents)					
Basic	7.6	7.3	3.6	14.7	38.9
Diluted	7.6	7.3	3.6	14.6	38.7
Non-GAAP Earnings per ADS attributable to Himax shareholders (in cents)					
Basic	7.8	7.6	3.8	17.8	44.4
Diluted	7.8	7.6	3.8	17.8	44.2

Reported financials – Balance Sheet

March 31, 2016



	<u>March 31, 2016</u> (Unaudited)	<u>December 31, 2015</u> (Audited)	<u>March 31, 2015</u> (Unaudited)
<u>Assets</u>			
Current Assets:			
Cash and cash equivalents	\$150,521	\$129,829	\$176,362
Investments in marketable securities available-for-sale	17,441	18,511	2,407
Restricted cash equivalents and marketable securities	180,451	180,442	130,180
Accounts receivable, net	173,025	177,198	192,715
Inventories	182,814	171,374	186,143
Other current assets	22,715	20,481	25,830
<u>Total current assets</u>	<u>726,967</u>	<u>697,835</u>	<u>713,637</u>
Investment securities	11,211	11,211	11,211
Property and equipment, net	52,654	54,461	54,879
Goodwill	28,138	28,138	28,138
Other Assets	10,421	10,692	10,265
<u>Total Assets</u>	<u>\$829,391</u>	<u>\$802,337</u>	<u>\$818,130</u>
<u>Liabilities, redeemable noncontrolling interest and Stockholders' Equity</u>			
Current liabilities:			
Short-term debt*	180,000	180,000	130,000
Accounts payable	138,662	124,423	148,657
Other current liabilities	47,855	48,307	49,864
<u>Total current liabilities</u>	<u>366,517</u>	<u>352,730</u>	<u>328,521</u>
Other liabilities	4,647	4,610	5,546
Redeemable noncontrolling interest	3,656	3,656	3,656
Himax shareholders' equity**	452,380	438,704	485,743
Noncontrolling interest	2,191	2,637	(5,336)
<u>Total Liabilities, redeemable noncontrolling interest and Stockholders' Equity</u>	<u>\$829,391</u>	<u>\$802,337</u>	<u>\$818,130</u>

* Short term debt is guaranteed by restricted cash

** Lower 2015FY shareholders equity balance versus 2014 mainly due to the net of cash dividend payout \$51.4m and net income \$25.2m

Reported financials – Cash Flow Statement

March 31, 2016



	<u>1Q-2016</u> (Unaudited)	<u>4Q-2015</u> (Unaudited)	<u>2015FY</u> (Audited)	<u>2014FY</u> (Audited)
<u>Net income</u>	<u>\$12,582</u>	<u>\$5,215</u>	<u>\$21,462</u>	<u>\$63,903</u>
Depreciation and amortization	3,450	3,407	14,164	14,592
Share-based compensation expenses	277	277	1,818	1,929
Gain on disposal of investment securities, net	0	0	(1,882)	(10,502)
Deferred income tax expense (benefit)	(179)	1,665	4,148	3,816
Inventories write downs	2,710	2,445	9,785	8,198
Decrease (increase) in accounts receivable	4,199	(9,583)	41,656	(19,211)
Decrease (increase) in inventories	(14,150)	3,875	(15,054)	3,096
Increase (decrease) in accounts payable	14,240	12,427	(54,905)	28,038
Increase (decrease) in income tax payable	2,651	(749)	(6,475)	2,357
Increase (decrease) in other accrued expenses and other current liabilities	(3,839)	(1,594)	5,987	(3,262)
Others	(436)	8,481	1,625	765
Net cash provided by operating activities	\$21,505	\$25,866	\$22,529	\$93,719
Purchase of property, plant and equipment	(2,202)	(3,567)	(9,982)	(10,931)
Purchase of available-for-sale marketable securities	(6,596)	(16,498)	(63,051)	(23,766)
Proceeds from disposals of available-for-sale marketable securities	7,968	17,520	46,720	22,021
Others	(6)	354	(2,029)	23,320
Net cash provided by (used in) investing activities	(\$836)	(\$2,191)	(\$28,342)	\$10,644
Pledges of restricted cash, cash equivalents and marketable securities (for borrowing of short-term debt)	0	0	(50,000)	(24,500)
Proceeds from short-term debt	61,000	92,303	412,303	417,500
Repayments of short-term debt	(61,000)	(92,303)	(362,303)	(393,000)
Payments of cash dividends	0	0	(51,364)	(46,042)
Others	(1)	(141)	1,756	(162)
Net cash used in financing activities	(\$1)	(\$141)	(\$49,608)	(\$46,204)
Effect of foreign currency exchange rate changes	24	(92)	(216)	(13)
Net increase (decrease) in cash and cash equivalents	<u>\$20,692</u>	<u>\$23,442</u>	<u>(\$55,637)</u>	<u>\$58,146</u>
Cash and cash equivalents at beginning of period	<u>\$129,829</u>	<u>\$106,387</u>	<u>\$185,466</u>	<u>\$127,320</u>
Cash and cash equivalents at end of period	<u>\$150,521</u>	<u>\$129,829</u>	<u>\$129,829</u>	<u>\$185,466</u>



Dr. Biing-Seng Wu, Chairman of the Board - Dr. Wu, the founder of Himax, previously served as President, CEO and a director of Himax Taiwan. As a pioneer of TFT-LCD panel industry in Taiwan, Dr. Wu has been active in the TFT-LCD panel industry for over 20 years. With 61 patents related to Flat Panel Display granted worldwide, Dr. Wu has made significant contributions to Taiwan panel industry including the completion and operation of Taiwan's very first TFT-LCD plant, the winner of Outstanding Industry Contribution Award at the Gold Panel Awards 2009 from Ministry of Economic Affairs, etc. Dr. Wu holds a B.S. degree, an M.S. Degree and a Ph.D. Degree in Electrical Engineering from National Cheng Kung University. With well-recognized outstanding research and development capabilities, Dr. Wu received numerous awards including National Invention Award of Taiwan from Taiwan Executive Yuan in 1992, Research Achievement Awards from Industrial Technology Research Institute for consecutive 2 years in 1992 and 1993, ERSO Award from Pan Wen Yuan Foundation in 2008, etc.



Jordan Wu, President, CEO and Director - Mr. Wu previously served as the chairman of the board of Himax Taiwan since April 2003. Prior to joining Himax Taiwan, he served as CEO of TV Plus Technologies, Inc. and CFO and executive director of DVN Holdings Ltd. in Hong Kong. Mr. Wu holds a B.S. degree in Mechanical Engineering from National Taiwan University and an M.B.A. degree from the University of Rochester.



Chih-Chung Tsai, Chief Technology Officer, Senior VP - Prior to joining Himax Taiwan, Mr. Tsai served as vice president of IC Design of Utron Technology from 1998 to 2001, and manager and director of the IC Division of Sunplus Technology from 1994 to 1998. Mr. Tsai holds a B.S. degree and an M.S. degree in Electrical Engineering from National Chiao Tung University.



Jackie Chang, Chief Financial Officer - Before joining Himax, Ms. Chang was the CFO of Castlink Corporation and VP of Finance and Operations for PlayHut, Inc. Prior to that, Ms. Chang was General Manager -Treasury Control for Nissan North America. She held several positions in Nissan North America during 1994 -2006 including finance, treasury planning, operations and accounting. She holds a BBA in Accounting from the National Chung-Hsing University in Taiwan and an MBA in Finance from Memphis State University.



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Company