



HIMAX REPORTS SECOND QUARTER 2010 FINANCIAL RESULTS

First half 2010 display driver revenue for handset applications grew 84.6% year-over-year

Tainan, Taiwan, August 10, 2010 - Himax Technologies, Inc. ("Himax" or "Company") (NASDAQ: HIMX) today reported financial results for the second quarter ended June 30, 2010.

For the second quarter of 2010, Himax reported net revenues of \$187.7 million, representing a 1.5% increase from \$184.9 million in the second quarter of 2009, and a 7.0% increase from \$175.5 million in the first quarter of 2010. Gross margin was 20.4% in the second quarter of 2010, down 40 basis points year-over-year, and up 60 basis points, sequentially. Operating income in the second quarter was \$13.0 million, compared to \$14.8 million for the same period last year and \$10.1 million in the previous quarter.

Net income attributable to Himax stockholders for the second quarter of 2010 was \$12.0 million or \$0.07 per diluted ADS, down from \$15.4 million or \$0.08 per diluted ADS in the second quarter of 2009, and up from \$9.1 million or \$0.05 per diluted ADS in the first quarter of 2010.

Excluding share-based compensation and acquisition-related charges, non-GAAP operating income for the second quarter of 2010 was \$15.4 million, down from \$17.7 million in the same period last year, and up from \$12.5 million in the previous quarter.

Non-GAAP net income attributable to Himax stockholders for the second quarter of 2010 was \$14.0 million or \$0.08 per diluted ADS, down from \$17.9 million or \$0.10 per diluted ADS in the second quarter of 2009, and up from \$11.2 million or \$0.06 per diluted ADS in the first quarter of 2010.

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.

Numbers for shares outstanding and relevant information in the financial statements of the Company's common stocks are retroactively adjusted for all periods presented to reflect the effect of the recapitalization plan approved by the Company's stockholders in the general meeting on August 6, 2009. The recapitalization plan led to change in par value of the stock and doubled the total share count, with ADS ratio changing to one ADS representing two common stocks.

Jordan Wu, President and Chief Executive Officer of Himax, commented, "Revenue from small- and medium-sized applications experienced a record-level \$65.7 million in the second quarter 2010, up 74.9% from the same period last year and up 42.0%, sequentially. Most notably, our display driver revenue for handset applications recorded 84.6% year-over-year growth. We believe our strength in the market is primarily due to our complete product lineup, coupled with our strategic marketing and solid execution. We will continue to drive growth and increase our market share."

Mr. Wu continued, "In the first half of 2010, we have already shipped more LCOS panels than we delivered in the full year 2009. We are confident that we are well positioned to capitalize on the emerging pico-projector industry, which we believe is still in the early stage of a long-term product life cycle. Moreover, thanks to the ramp-up of WLED drivers for notebooks and TV applications, revenues from our analog ICs line more than doubled in the first half of 2010, both sequentially and year-over-year. We expect this momentum to continue, with increased penetration of white LED back-light in TFT-LCD panels and the growing adoption of our white LED drivers."

Mr. Wu continued, "We achieved another important milestone in July 2010 with the commencement of small-volume shipment of our 2D to 3D chip to a major TV brand. Our real-time 2D to 3D conversion solutions, suitable for all types of 3D displays, has received overwhelming interest from customers since we introduced this technology in February. Customers are keen to incorporate our solutions into a number of 3D-ready displays to capitalize on the early-adopter advantages in the 3D era. While our design-in and sales activities have been intensive, our near-term shipments are constrained by the limited availability of 3D panels. We expect the supply shortage to ease in the next few quarters."

Mr. Wu continued, "In our CMOS image sensor product line, on top of shipment for handsets, we started small volume shipments of notebook PC applications to one of the world's top notebook brands. The adoption by this world-class brand validates our product and technology competitiveness. With the sampling of our next generation CMOS image sensors, we are on track to be awarded with more design-in projects for a wider range of customers."

Mr. Wu added, "We are seeing softening demand since June with talks of end product sell-through noticeably slowing down and customers getting cautious on inventory levels. Over the past ten days, in particular, we have seen our customers significantly cut back their forecasts for August and September. While we are actively talking to our customers, we have not yet come to a conclusion as to whether this is a short-term over-reaction or if it has long-term implications. We are uncertain if this is specific to Himax or this is an industry-wide phenomenon."

Mr. Wu continued, "Despite recent concerns over excess inventory and weakening demand industry-wide, we have seen our gross margin improve since the beginning of the year. We expect this trend to continue due to better product mix, and solid execution of our price strategies and cost reduction measures. In particular, we are pleased to see improved gross margins for some of our major non-driver products. Take our LCOS pico-projector product line for example, with increased shipment and higher capacity utilization, gross margin and gross profit continue to grow. We believe similar economies of scale are taking place in some of our other non-driver product lines, which will eventually be growth drivers of both our top line revenue and bottom line profit in the not too distant future."

Mr. Wu added, "For the third quarter 2010, we expect revenues to decline by 13%-18%, gross margin to increase by 1-2 percentage points, sequentially, and GAAP earnings per ADS to be in the range of \$0-0.02. Our third quarter GAAP earnings per ADS guidance takes into account our 2010 grant of restricted share units, or RSUs, at the end of September. The 2010 RSUs, subject to Himax' Board approval, is assumed to be valued in the range of \$9-10 million, of which approximately 60% will be vested and expensed immediately on the grant date. Excluding share-based compensation and acquisition-related charges, our third quarter 2010 non-GAAP earnings per ADS guidance is \$0.04-0.06."

Investor Conference Call / Webcast Details

The Company's management will review detailed second quarter 2010 results on Monday, August 9, 2010 at 7:00 PM EDT (7:00 AM, Tuesday, 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 noon Taiwan time on Tuesday, August 17, 2010 (midnight U.S. Eastern Daylight 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 353643.

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 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, 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, 2009 filed with SEC on dated June 3, 2010, 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, 2010
	2010	2009	2010
Revenues			
Revenues from third parties, net	\$ 94,939	\$ 63,348	\$ 70,940
Revenues from related parties, net	92,768	121,579	104,558
	187,707	184,927	175,498
Costs and expenses:			
Cost of revenues	149,388	146,539	140,773
Research and development	18,341	17,576	17,808
General and administrative	4,197	3,885	4,043
Sales and marketing	2,752	2,126	2,749
Total costs and expenses	174,678	170,126	165,373
Operating income	13,029	14,801	10,125
Non operating income (loss):			
Interest income	169	284	104
Equity in losses of equity method investees	(106)	---	(59)
Foreign exchange gains (losses), net	53	1,006	(11)
Other income, net	67	17	88
	183	1,307	122
Earnings before income taxes	13,212	16,108	10,247
Income tax expense	2,174	1,717	2,049
Net income	11,038	14,391	8,198
Net loss attributable to noncontrolling interests	930	1,032	940
Net income attributable to Himax stockholders	\$ 11,968	\$ 15,423	\$ 9,138
Basic earnings per ordinary share attributable to Himax stockholders	\$ 0.03	\$ 0.04	\$ 0.03
Diluted earnings per ordinary share attributable to Himax stockholders	\$ 0.03	\$ 0.04	\$ 0.03
Basic earnings per ADS attributable to Himax stockholders	\$ 0.07	\$ 0.08	\$ 0.05
Diluted earnings per ADS attributable to Himax stockholders	\$ 0.07	\$ 0.08	\$ 0.05
Basic Weighted Average Outstanding Ordinary Shares	355,426	371,984	357,557
Diluted Weighted Average Outstanding Ordinary Shares	358,011	373,602	359,102

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,	
	2010	2009
Revenues		
Revenues from third parties, net	\$165,879	\$107,721
Revenues from related parties, net	197,326	202,862
	363,205	310,583
Costs and expenses:		
Cost of revenues	290,161	245,980
Research and development	36,149	32,825
General and administrative	8,240	7,479
Sales and marketing	5,501	4,675
Total costs and expenses	340,051	290,959
Operating income	23,154	19,624
Non operating income (loss):		
Interest income	273	566
Equity in losses of equity method investees	(165)	---
Foreign exchange gains (losses), net	42	(409)
Other income (loss), net	155	(121)
	305	36
Earnings before income taxes	23,459	19,660
Income tax expense	4,223	1,966
Net income	19,236	17,694
Net loss attributable to the noncontrolling interests	1,870	2,098
Net income attributable to Himax stockholders	\$21,106	\$19,792
Basic earnings per ordinary share attributable to Himax stockholders	\$0.06	\$0.05
Diluted earnings per ordinary share attributable to Himax stockholders	\$0.06	\$0.05
Basic earnings per ADS attributable to Himax stockholders	\$0.12	\$0.11
Diluted earnings per ADS attributable to Himax stockholders	\$0.12	\$0.11
Basic Weighted Average Outstanding Shares	356,486	374,859
Diluted Weighted Average Outstanding Shares	358,517	375,139

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,
	2010	2009	2010
Share-based compensation			
Cost of revenues	\$ 21	\$ 13	\$ 22
Research and development	1,375	1,807	1,374
General and administrative	228	271	229
Sales and marketing	218	260	218
Income tax benefit	(131)	(295)	(187)
Total	\$ 1,711	\$ 2,056	\$ 1,656

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	\$ 259
Sales and marketing	290	290	289
Income tax benefit	(200)	(162)	(139)
Total	\$ 348	\$ 386	\$ 409

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,	
	2010	2009
Share-based compensation		
Cost of revenues	\$ 43	\$ 26
Research and development	2,749	3,590
General and administrative	457	543
Sales and marketing	436	534
Income tax benefit	(318)	(396)
Total	\$ 3,367	\$ 4,297

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

Research and development	\$ 517	\$ 516
Sales and marketing	579	580
Income tax benefit	(339)	(324)
Total	\$ 757	\$ 772

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

	June 30, 2010	March 31, 2010	December 31, 2009
Assets			
Current assets:			
Cash and cash equivalents	\$ 153,967	\$ 155,932	\$ 110,924
Investments in marketable securities available-for-sale	3,900	5,198	10,730
Accounts receivable, less allowance for doubtful accounts, sales returns and discounts	97,499	71,354	64,496
Accounts receivable from related parties, less allowance for sales returns and discounts	118,746	129,519	138,172
Inventories	79,261	65,401	67,768
Deferred income taxes	15,873	17,590	17,491
Prepaid expenses and other current assets	12,657	13,753	14,216
Total current assets	\$ 481,903	\$ 458,747	\$ 423,797
Investments in non-marketable equity securities	12,643	11,619	11,619
Equity method investments	1,318	1,430	586
Property, plant and equipment, net	50,544	50,783	51,586
Deferred income taxes	23,426	24,695	24,548
Goodwill	26,846	26,846	26,846
Intangible assets, net	7,773	8,322	8,872
Other assets	2,440	2,541	2,594
	124,990	126,236	126,651
Total assets	\$ 606,893	\$ 584,983	\$ 550,448
Liabilities and Equity			
Current liabilities:			
Accounts payable	\$ 134,266	\$ 115,916	\$ 88,079
Income taxes payable	7,661	16,495	14,147
Dividend payable	44,188	---	---
Other accrued expenses and other current liabilities	19,413	16,017	18,425
Total current liabilities	\$ 205,528	\$ 148,428	\$ 120,651
Other liabilities	4,642	5,605	5,725
Total liabilities	\$ 210,170	\$ 154,033	\$ 126,376
Equity			
Himax stockholders' equity:			
Ordinary shares, US\$0.3 par value, 1,000,000,000 shares authorized; 353,502,962 shares, 355,531,454 shares, and 358,012,184 shares issued and outstanding at June 30, 2010, March 31, 2010, and December 31, 2009, respectively	\$ 106,051	\$ 106,659	\$ 107,404
Additional paid-in capital	101,623	102,123	102,924
Accumulated other comprehensive income (loss)	(32)	35	4
Unappropriated retained earnings	186,039	218,259	209,121
Himax stockholders' equity	\$ 393,681	\$ 427,076	\$ 419,453
Noncontrolling interests	3,042	3,874	4,619
Total equity	\$ 396,723	\$ 430,950	\$ 424,072
Total liabilities and equity	\$ 606,893	\$ 584,983	\$ 550,448

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

	Three Months Ended June 30, 2010	2009	Three Months Ended March 31, 2010
Cash flows from operating activities:			
Net income	\$ 11,038	\$ 14,391	\$ 8,198
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	3,463	3,530	3,522
Reversal for allowance for doubtful accounts	---	(129)	---
Share-based compensation expenses	1,842	2,351	1,843
Equity in losses of equity method investees	106	---	59
Gain on disposal of property and equipment	---	(12)	---
Gain on disposal of marketable securities, net	(19)	---	(59)
Deferred income tax expense (benefit)	2,639	(1,604)	(375)
Inventories write downs	1,371	3,223	2,864
Changes in operating assets and liabilities:			
Accounts receivable	(25,211)	(12,439)	(6,858)
Accounts receivable from related parties	9,827	(54,097)	8,656
Inventories	(15,230)	(22,770)	(498)
Prepaid expenses and other current assets	1,098	(3,571)	462
Accounts payable	18,352	73,419	27,837
Income taxes payable	(8,844)	(5,166)	2,354
Other accrued expenses and other current liabilities	2,464	2,263	(2,199)
Other liabilities	(602)	---	---
Net cash provided by (used in) operating activities	<u>2,294</u>	<u>(611)</u>	<u>45,806</u>
Cash flows from investing activities:			
Purchase of property and equipment	(1,720)	(2,870)	(2,388)
Proceeds from disposal of property and equipment	---	1	---
Purchase of available-for-sale marketable securities	(4,257)	(5,147)	(5,577)
Disposal of available-for-sale marketable securities	5,514	6,693	11,190
Proceeds from disposal of subsidiary shares to noncontrolling interests by Himax Technologies Limited	94	333	418
Purchase of non-marketable equity securities	(1,024)	---	---
Purchase of equity method investments	---	(351)	(897)
Purchase of subsidiary shares from noncontrolling interests	(109)	(33)	(38)
Decrease (increase) in other assets	72	(38)	69
Net cash provided by (used in) investing activities	<u>(1,430)</u>	<u>(1,412)</u>	<u>2,777</u>

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,
	2010	2009	2010
Cash flows from financing activities:			
Distribution of cash dividends	\$ ---	\$ (55,496)	\$ ---
Proceeds from issuance of new shares by subsidiaries	76	55	65
Payments to acquire ordinary shares for retirement	(2,903)	(6,458)	(3,642)
Proceeds from borrowing of short-term debt	160,000	---	---
Repayment of short-term debt	(160,000)	---	---
Net cash used in financing activities	<u>(2,827)</u>	<u>(61,899)</u>	<u>(3,577)</u>
Effect of foreign currency exchange rate changes on cash and cash equivalents	<u>(2)</u>	<u>4</u>	<u>2</u>
Net increase (decrease) in cash and cash equivalents	(1,965)	(63,918)	45,008
Cash and cash equivalents at beginning of period	155,932	200,678	110,924
Cash and cash equivalents at end of period	<u>\$ 153,967</u>	<u>\$ 136,760</u>	<u>\$ 155,932</u>
Supplemental disclosures of cash flow information:			
Cash paid during the period for:			
Interest expense	<u>\$ 5</u>	<u>\$ ---</u>	<u>\$ ---</u>
Income taxes	<u>\$ 8,196</u>	<u>\$ 7,608</u>	<u>\$ 47</u>
Supplemental disclosures of non-cash financing activities:			
Dividend Payable	<u>\$ 44,188</u>	<u>\$ ---</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,
	2010	2009	2010
Revenues	\$ 187,707	\$ 184,927	\$ 175,498
Gross profit	38,319	38,388	34,725
Add: Share-based compensation – Cost of revenues	21	13	22
Gross profit excluding share-based compensation	38,340	38,401	34,747
Gross margin excluding share-based compensation	20.4%	20.8%	19.8%
Operating income	13,029	14,801	10,125
Add: Share-based compensation	1,842	2,351	1,843
Operating income excluding share-based compensation	14,871	17,152	11,968
Add: Acquisition-related charges –Intangible assets amortization	548	548	548
Operating income excluding share-based compensation and acquisition-related charges	15,419	17,700	12,516
Operating margin excluding share-based compensation and acquisition-related charges	8.2%	9.6%	7.1%
Net income attributable to Himax stockholders	11,968	15,423	9,138
Add: Share-based compensation, net of tax	1,711	2,056	1,656
Add: Acquisition-related charges, net of tax	348	386	409
Net income attributable to Himax stockholders excluding share-based compensation and acquisition-related charges	14,027	17,865	11,203
Net margin attributable to Himax stockholders excluding share-based compensation and acquisition-related charges	7.5%	9.7%	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

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,	
	2010	2009
Revenues	\$363,205	\$310,583
Gross profit	73,044	64,603
Add: Share-based compensation – Cost of revenues	43	26
Gross profit excluding share-based compensation	73,087	64,629
Gross margin excluding share-based compensation	20.1%	20.8%
Operating income	23,154	19,624
Add: Share-based compensation	3,685	4,693
Operating income excluding share-based compensation	26,839	24,317
Add: Acquisition-related charges –Intangible assets amortization	1,096	1,096
Operating income excluding share-based compensation and acquisition-related charges	27,935	25,413
Operating margin excluding share-based compensation and acquisition-related charges	7.7%	8.2%
Net income attributable to Himax stockholders	21,106	19,792
Add: Share-based compensation, net of tax	3,367	4,297
Add: Acquisition-related charges, net of tax	757	772
Net income attributable to Himax stockholders excluding share-based compensation and acquisition-related charges	25,230	24,861
Net margin attributable to Himax stockholders excluding share-based compensation and acquisition-related charges	6.9%	8.0%

*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, 2010	Six Months Ended June 30, 2010
Diluted GAAP EPS attributable to Himax stockholders	\$0.03	\$0.06
Add: Share-based compensation per diluted share	\$---	\$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	 \$0.04	 \$0.07

Numbers do not add up due to rounding