LIVE CALL INFORMATION	**REPLAY INFORMATION**
Tuesday, November 3, 2009 7AM Taiwan **Monday, November 2, 2009 6PM NYC** **CEO / CFO Number: 1-201-689-8323** **Listener Call Number: 1-201-689-8470** **or 1-877-407-9039**	Accessible 2 hours after the call through 1PM on Monday, November 9, 2009 Taiwan Replay Number: 1-201-612-7415 Account number: 3055 Conference ID number: 334859

Operator Intro: Welcome to Himax Technologies' third quarter 2009 financial results conference call. At this time, all participants are in a listen-only mode. Later we will conduct a question and answer session. At that time, if you have a question, you will need to press star 1 on your push button phone. The call is scheduled for one hour.

As a reminder, this conference is being recorded today. A replay will be available 2 hours after the call today, through 1PM on Monday, November 9, 2009 in Taiwan. The replay dial-in number is 1-201-612-7415 with account number 3055 and conference ID number 334859. The replay will also be accessible at www.himax.com.tw.

Joseph Villalta

Thank you, operator. Welcome everyone to Himax's third quarter 2009 earnings call. Joining us from the company are Mr. Jordan Wu, President and Chief Executive Officer, and Mr. Max Chan, Chief Financial Officer. After the company's prepared comments, we will have time for any questions today.

If you have not yet received a copy of today's results release, please call The Ruth Group at 1-646-536-7003. Or you can get a copy off Himax's website at www.himax.com.tw.

Before we begin the formal remarks, I'd like to remind everyone that some of the statements in this conference call, including statements regarding expected future financial results, industry growth and the Taiwan listing plan, are forward-looking statements that involve a number of risks and uncertainties that could cause actual events or results to differ materially from those described in this conference call.

Factors that could cause actual results and the Taiwan listing plan to differ 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; shareholders' support on the dual listing plan, changes in either Taiwan or US authorities' policies, Taiwan Stock Exchange and Taiwan authority's acceptance of the Company's Taiwan listing application, changes in capital market conditions in either Taiwan or the US, capital market acceptance of our share offering, the capability to maintain the full two-way fungibility between the Company's ordinary shares and ADSs 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, 2008 filed with SEC on dated May 15, 2009, as amended.

Except for the Company's full year of 2008 financials which were provided on the Company's 20-F, filed with the SEC on May 15, 2009, the financial information included in this conference call is unaudited and consolidated, and prepared in accordance with US GAAP. Such financial information is generated internally and has not been subjected to the same review and scrutiny, including internal auditing procedures and audit by independent auditors, to which we subject our annual consolidated financial statements, and may vary materially from the audited consolidated financial information for the same period. Any evaluation of the financial information included in this conference call should also take into account our published audited consolidated financial statements and the notes to those statements. In addition, the financial information included in this conference call is not necessarily indicative of our results for any future period.

The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

At this time, I would now like to turn the call over to Mr. Jordan Wu. Please go ahead, sir.

Mr. Jordan Wu

Thank you Joseph and thank you everyone for joining us on today's call.

To begin, I will briefly highlight our overall operating performance during the third quarter. Then I will provide our outlook for the fourth quarter of 2009. Our CFO, Max Chan, will then provide further details on our financial performance.

Our third quarter revenues came in at $203.1 million, representing a 11.7% decline year-over-year and a 9.8% growth, sequentially.

The third quarter was a notable quarter for us in terms of product mix. Revenues from small-and medium-sized applications and non-driver business achieved record levels in both dollar value and percentage of total revenues. Revenues from these two segments combined accounted for more than 30% of our total revenues in the third quarter. Among our various non-driver products, our LCOS pico projector solutions, power management ICs, LCD TV controller and LCD monitor scalers, experienced phenomenal sequential revenue growth. This is the first time in Himax's history that we were able to dilute our exposure in large panel applications to below 70% of total revenues by ramping our revenues from other products.

Revenues from large panel display drivers were $139.3 million, down 16.4% from a year ago and up 1.8% sequentially. Large panel drivers accounted for 68.6% of our total revenues for the third quarter, as compared to 72.4% a year ago and 74.0% in the previous quarter. The glass shortage for TFT-LCD panels, as we had expected, had limited, to some extent, our customers' panel shipments and demand for our display drivers in the third quarter. In terms of product mix, while demand for TV and Notebook display drivers remained strong, demand for monitor display drivers started showing signs of weakness.

Revenues from small- and medium-sized applications were $48.4 million, up 0.2% from the same period last year and up 28.9% sequentially. Small- and medium-sized applications accounted for 23.8% of total revenues for the third quarter, a record level, as compared to 21.0% for the same period last year, and 20.3% in the previous quarter. Among various small-and-medium applications, demand for our non-handset consumer electronic display drivers, such as those used in digital cameras and Netbook applications, were particularly strong, with revenues growing more than 50% sequentially, while revenues from handset display drivers was literally flat in the third quarter.

As with our small-and-medium driver business, our non-driver business also achieved record highs in both revenues and percentage of total revenues in the third quarter. Revenues from our non-driver business were $15.4 million, up 46.0%, sequentially. Our non-driver products accounted for 7.6% of our total revenues as compared to 6.6% a year ago and 5.7% in the previous quarter. Among our non-driver products, revenues from our LCOS products more than doubled sequentially; revenues from our LCD TV controllers and LCD monitor scalers also grew more than 80% from the previous quarter.

Our GAAP gross margin for the third quarter was 20.4%, as compared to 24.5% a year earlier, and 20.8% in the previous quarter. The tight capacity at certain of our packaging and testing service providers, as we expected, had resulted in an increase of our costs.

For the third quarter, GAAP net income was $8.8 million and earnings per ADS was 5 cents, in line with our guidance. Our GAAP net income and earnings per ADS were $17.7 million and 9 cents, respectively, a year earlier, and $15.4 million and 8 cents, respectively, in the previous quarter. The sequential decline in our GAAP earnings was primarily due to our annual Restricted Share Units, or RSUs grant at the end of September, which Max will elaborate more later on this call.

Before providing our fourth quarter 2009 guidance, I would like to share with you some of my thoughts on Himax's long-term product strategy.

While the global TFT LCD industry and the associated demand on TFT LCD display drivers are inevitably entering into a mature stage primarily because TFT LCD penetration in various computer and consumer applications is already high, a number of our non-driver products are in their early stage of product life cycle. Following years of R&D, we have not only commenced commercial production in most of these areas, we believe our product offerings are competitive and we are well positioned in these markets. Our LCOS product line for pocket projector applications, in particular, is experiencing strong momentum, in terms of both product shipment and new customer design-wins. One of our LCOS customers, a Japanese world-class camera brand, has launched the world's first projector-embedded digital camera with Himax's LCOS pico-projector solution inside. This first-of-its-kind projector camera was awarded as one of the "10 Brilliant Products of 2009" by Popular Mechanics Magazine. It is an exhibition of our product innovation and seamless cooperation with our customers. We believe we are the world leader in this new and exciting product area.

Backed by our strong balance sheet and belief in innovation, we remain fully committed to our long-term goal of being the world's leading semiconductor solution provider in the flat panel display industry. We expect our non-driver product lines to be incrementally positive to both our top-line and bottom-line in the long-term.

Looking ahead to our fourth quarter guidance, as the demand on TFT-LCD panels enters into a low season in the fourth quarter, we expect revenues to decline by 15%-19% sequentially, gross margin to decline slightly, and GAAP earnings per ADS to be in the range of 3-5 cents.

Now let me turn over to Max Chan, our CFO, for further details on our quarterly financials.

Mr. Max Chan

Thank you, Jordan. I will now provide additional details for our third quarter financial results.

For the third quarter, our GAAP operating expenses were \$30.6 million, down 25.9% from \$41.3 million a year ago and up 29.8% from \$23.6 million for the previous quarter. The significant operating expense saving compared to last year is evidence of our continued efforts in optimizing our overall cost structure amid current business environment.

As Jordan mentioned earlier, the sequential increase in our operating expenses is mainly due to the grant of our 2009 RSUs. At the end of September, we granted our annual restricted awards to our employees, valued at approximately \$12 million, a decrease of 49.6% as compared to the 2008 total restricted award grants. Of the \$12 million restricted awards, \$6.5 million, or about 54.0%, was vested and expensed immediately on the grant day and paid in cash. The remainder will be paid in three equal installments in stocks, at the first, second, and third anniversaries after the grant. The maximum share dilution in the next three years resulting from the 2009 RSU grant is about 0.9% of our total shares outstanding.

For the third quarter, GAAP net income was $8.8 million and GAAP earnings per ADS was 5 cents, down from $17.7 million and 9 cents for the same period last year, and down from $15.4 million and 8 cents, for the previous quarter. We recognized a tax expense of $2.9 million in the third quarter to reflect changes in estimated full-year 2009 effective tax rate.

Excluding share-based compensation and acquisition-related charges, our non-GAAP gross margin for the third quarter was 20.5%, as compared to 24.6% a year ago and 20.8% a quarter ago. Non-GAAP operating income for the third quarter was $20.0 million, down from $30.6 million for the same period last year and up from $17.7 million for the previous quarter.

Share-based compensation and acquisition-related charges for the third quarter were $7.0 million and $0.4 million, respectively, as compared to $14.4 million and $0.4 million, a year earlier.

Non-GAAP net income was $16.2 million, or 9 cents per ADS, down from $32.5 million, or 17 cents per ADS for the same period last year, and down from $17.9 million, or 10 cents per ADS for the previous quarter.

Our cash, cash equivalents and marketable securities available for sale were $117.5 million at the end of September, a decrease of $21.7 million as compared to the previous quarter. The decrease was partly due to the higher working capital requirements for our increased revenues in the past months.

We had also continued to repurchase our ADSs and thereby cancelled our underlying ordinary shares accordingly. Share repurchases in the third quarter totaled $14.0 million or approximately 4.1 million ADSs. At the end of the quarter, we had roughly $21.1 million remaining in the current share repurchase authorization.

In regards to our plan for a dual-listing on the main board of the Taiwan Stock Exchange, we continue to make progress and have submitted our preliminary application document. We have scheduled to make an official public filing by the end of next week and expect to receive the listing admission early next year, subject to regulatory approvals.

The fourth quarter earnings per ADS guidance that Jordan provided earlier is based on the assumption of having 366 million diluted weighted average ordinary shares, with one ADS representing two ordinary shares.

Operator, that concludes our prepared remarks. We can now take any questions.

Jordan's closing remarks

Thank you everyone for taking time to join today's call. We look forward to talking to you again at our next earnings call in early February next year with an update on our fourth quarter and full year 2009 results.