LIVE CALL INFORMATION	**REPLAY INFORMATION**
Tuesday, February 9, 2010 7AM Taiwan **Monday, February 8, 2010 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, February 15, 2010 Taiwan Replay Number: 1-201-612-7415 Account number: 3055 Conference ID number: 342695

Operator Intro: Welcome to Himax Technologies' fourth quarter and full year 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, February 15, 2010 in Taiwan. The replay dial-in number is 1-201-612-7415 with account number 3055 and conference ID number 342695. The replay will also be accessible at www.himax.com.tw.

Joseph Villalta

Thank you, operator. Welcome everyone to Himax's fourth quarter and full year 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 performance in the fourth quarter and summarize a few milestones we have achieved in the past year. Then I will provide our outlook for the first quarter 2010 and outline our strategic focus areas for 2010. Our CFO, Max Chan will then provide further details on our financial performance.

In summary, we are pleased with our fourth quarter performance. Our revenues, gross margin and earnings per ADS for the fourth quarter all came in better than or in line with our prior guidance.

Our fourth quarter revenues came in at $178.7 million, representing a 43.8% growth year-over-year and a 12.0% decline, sequentially.

Revenues from large panel display drivers were $128.2 million, up 41.5% from a year ago and down 8.0% sequentially. Large panel drivers accounted for 71.8% of our total revenues for the fourth quarter, as compared to 72.9% a year ago and 68.6% in the previous quarter. While demand for IT panel drivers was down and off from a high season, demand for TV panel drivers continued to grow.

Revenues from small- and medium-sized applications were $37.7 million, up 35.2% from the same period last year and down 22.1% sequentially. Small- and medium-sized applications accounted for 21.1% of total revenues for the fourth quarter, as compared to 22.5% for the same period last year, and 23.8% in the previous quarter.

Revenues from our non-driver business were $12.8 million, up 120.2% from the same period last year and down 17.3% sequentially. Our non-driver products accounted for 7.1% of our total revenues as compared to 4.6% a year ago and 7.6% in the previous quarter.

Our GAAP gross margin for the fourth quarter was 20.0%, as compared to 21.0% a year earlier, and 20.4% in the previous quarter.

For the fourth quarter, GAAP net income was $11.0 million, or 6 cents per ADS, compared to a net loss of $13.2 million, or 7 cents per ADS, a year ago, and a net income of $8.8 million, or 5 cents per ADS, in the prior quarter. The net loss in the last quarter of 2008 was mainly the result of a net loss of $17.4 million arising from our allowance for doubtful accounts from SVA-NEC (having taken into account the associated tax benefit thereof).

Now let us turn to our performance for the full year 2009. Looking back, it was a dramatic while challenging year for the TFT-LCD industry and us. Starting from the later part of 2008, the global financial crisis had adversely impacted the demand of TFT-LCD panels. As a result, the whole TFT-LCD industry suffered from over-supply and experienced significant pricing pressure. This extremely difficult operating environment continued as we entered into 2009. To almost everybody's surprise, demand of TFT-LCD panels rebounded strongly with short notice. Ever since then, the main challenge of the entire supply chain has been the ability for rush order fulfillment.

As our customers struggled through this unprecedented industry downturn, Himax, an anchor supplier to many of them, suffered as well from severe pricing pressure and loss of revenue. Our revenues totaled $692.4 million in 2009, representing a 16.9% decline year-over-year. In terms of product mix, while revenues from large panel display drivers declined significantly, we managed to grow revenues in both small-and-medium and non-driver segments, each with around 10% annual growth, an illustration of our commitment to our long-term diversification strategy.

Among our small-and-medium display drivers, share gain in the worldwide handset display drivers was particularly remarkable, with shipment growing more than 50% year-over-year, from both the international brands and the Chinese brands. We aim to continue to expand our market share in this strategic segment with our competitive product offering and services.

Gross margin in 2009 was 20.5%, as compared to 24.5% in 2008. The decline was primarily due to the significant pricing pressures from our customers, as we pointed out earlier. Our net income was $39.7 million, or 21 cents per ADS, compared to $76.4 million, or 40 cents per ADS in the previous year. Max, our CFO, will later elaborate on further details.

Amid this volatile and challenging operating environment, we remain fully committed to becoming the world’s leading semiconductor solution provider for the flat panel display industry. 2009 was a transition and remarkable year for Himax to achieve this long-term goal.

While the global TFT LCD industry and the associated demand on display drivers are inevitably entering into a mature stage, we believe there is still room for us to grow our market share, especially from China, which is now the world’s most aggressive builder of new TFT LCD capacity. Based on our long-term, solid business relationship with Chinese TFT-LCD makers, we are confident that we will have a leading share in this increasingly important market.

2009 was also a remarkable year for our non-driver products. First of all, we commenced shipments of our white LED driver and CMOS image sensor product lines. Though both were in small quantities initially, we believe the commercial shipment is paving the way for us to tap the great market potential in these two emerging segments.

During the past year, we further strengthened our leadership in the world’s emerging pico-projector industry with a solid shipment record and increasing new design-wins. Notably, our LCOS pico-projector solutions enabled the world’s first projector-embedded digital camera, marking another milestone in the field of innovation. Recent customer feedback and intensive design-in activities firmly support our belief that 2010 will be a promising year for our LCOS pico-projector solutions. As both orders and design-ins are picking up strongly, we are planning to expand our in-house capacity to fulfill the increasing demand for our LCOS panels. Looking into 2010 and beyond, we expect to see increasing adoptions of our LCOS pico-projector solutions by our customers in various applications.

In our TV and monitor chipset product line, we had not only multiplied the revenues in the past year, but also been working closely with our customers in commercializing our innovative technologies. Our iCT, or infinite color technology, can save panel power consumption by up to 30 to 60% while enhancing image quality. Our 2D to 3D conversion solution, which has received overwhelming reception by customers for its superior performance since its launch not long ago, can convert any 2D content into 3D format on a real time basis while offering a high level of visual comfort. We are extremely excited to see these innovations being adopted by customers to be key differentiators in their new products, some of which could hit the market as early as the second quarter of 2010.

In our CMOS image sensor product line, we had commenced shipment of sensor for conventional camera modules in the first half of 2009. On top of that, we made inroads into the leading-edge wafer level optics, which are expected to replace the conventional lens in the long run, starting with lower resolution camera modules. Our wafer level optics is a novel and state-of-the-art technology enabling camera modules to continue to challenge small form factor requirement. Its high temperature resistance feature also makes SMT reflow process possible, saving phone makers' assembly costs. Currently, we offer products with VGA and 2 mega pixel resolutions, mainly focusing on cell phones and Notebook PCs. Our wafer level optics have been well-received by a number of the world's first-tier CMOS image sensor and camera module makers.

Before providing our first quarter 2010 guidance, I would like to share with you some recent observations. As you are aware, there were recently-announced mergers in the TFT-LCD industry, including both our customers and suppliers. We believe these consolidations are healthy developments for the entire TFT-LCD industry in the long term. We will continue to deliver the best service and products to these customers, in both our display driver and non-driver product lines.

In the near term, some TFT-LCD panel components are currently experiencing a shortage in supply, as indicated by TFT-LCD makers, which may be a factor leading to uncertainty in our first quarter 2010 guidance. Furthermore, the capacity and equipment tightness at certain of our subcontractors may potentially increase our costs of revenues and negatively impact our gross margin.

Moving to our first quarter 2010 guidance, we are seeing rather healthy demand in a traditionally low season. Compared to the previous quarter, we expect revenues to remain flat or go up slightly with a slight gross margin decline of less than one percentage point. GAAP earnings per ADS is expected to be in the range of 4-6 cents.

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

Mr. Max Chan

Thank you, Jordan. I will now provide additional details for our fourth quarter and full year 2009 financial results.

For the fourth quarter, our GAAP operating expenses were $22.7 million, down 52.1% from $47.4 million a year ago and down 25.9% from $30.6 million in the previous quarter. The significant year-over-year reduction in our GAAP operating expenses was primarily due to our allowance for doubtful accounts of $25.3 million from SVA-NEC in the fourth quarter of 2008. The sequential decline in GAAP operating expense was primarily because we granted, at the end of third quarter, our 2009 RSUs, or Restricted Share Units. Of the $12 million RSUs, about 54.0% was vested and expensed immediately on the grant day.

GAAP net income for the fourth quarter was $11.0 million, or 6 cents per ADS, up from a net loss of $13.2 million, or 7 cents per ADS in the same period last year. Excluding those one-time effects from SVA-NEC as Jordan pointed out earlier, our net income in the fourth quarter of 2009 grew by 162% year-over-year.

Excluding share-based compensation and acquisition-related charges, our non-GAAP gross margin for the fourth quarter was 20.0%, as compared to 21.0% a year ago and 20.5% a quarter ago. Non-GAAP operating income for the fourth quarter was $15.4 million, up from an operating loss $18.8 million in the same period last year and down from an operating income of $20.0 million in the previous quarter.

Share-based compensation and acquisition-related charges for the fourth quarter were $1.5 million and $0 million, respectively, as compared to $1.9 million and $0.4 million, a year earlier.

Non-GAAP net income was $12.6 million, or 7 cents per ADS, up from a net loss of $10.9 million or 6 cents per ADS for the same period last year, and down from a net income of $16.2 million or 9 cents per ADS in the previous quarter.

Our cash, cash equivalents and marketable securities available for sale were $121.7 million at the end of December, up from $117.5 million a quarter ago.

Net cash inflow from operating activities for the fourth quarter was $16.6 million as compared to a net cash outflow of $7.0 million in the previous quarter.

In terms of 2009 full year performance, our GAAP operating expenses were $98.3 million as compared to $143.9 million a year earlier. The significant reduction in our operation expenses was primarily a result of the continued optimization and rationalization measures covering literally all aspects of our operations.

Tax expense for 2009 was $7.9 million, as compared to a tax benefit of $8.7 million in 2008. The increase in tax expense in 2009 was primarily due to the expiration of one of our 5-year tax-exemption programs, among other factors. Based on our current best estimate, we now expect our full year 2010 effective tax rate to be around 10%, primarily because the Taiwan statutory income tax rate is reduced from 25% to 20%, starting from the beginning of 2010.

GAAP net income in the year of 2009 was $39.7 million, or 21 cents per ADS, compared to $76.4 million, or 40 cents per ADS, in 2008.

Excluding share-based compensation and acquisition-related charges, our non-GAAP gross margin for the year 2009 was 20.5%, as compared to 24.6% last year. Non-GAAP operating income for the year 2009 was $60.8 million, as compared to $84.1 million in 2008.

Share-based compensation and acquisition-related charges for 2009 were $12.8 million and $1.2 million, respectively, as compared to $21.1 million and $0.9 million in 2008.

Non-GAAP net income was $53.6 million, or 29 cents per ADS, as compared to 51 cents per ADS in the previous year.

During the quarter, we continued to repurchase our ADSs and thereby cancelled our underlying ordinary shares accordingly. Share repurchases in the fourth quarter totaled $11.0 million or approximately 3.9 million ADSs. At the end of the quarter, we had roughly $10.4 million remaining in the current share repurchase authorization.

In regards to our dual-listing plan on the main board of the Taiwan Stock Exchange, we continued to make progress during the past quarter. According to Taiwan-listing requirements, prospect issuers are required to submit 2009 full-year ROC GAAP audited financials by the end of February 2010 to continue the review process by the authorities, followed by the update of preliminary prospectus, among other procedures. We now expect to receive the Taiwan-listing approval in the second quarter of 2010, subject to regulatory approvals.

The first quarter 2010 earnings per ADS guidance that Jordan provided earlier is based on the assumption of having 359 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 May with an update on our first quarter results.