



HIMAX REPORTS FIRST QUARTER 2007 RESULTS

Tainan, Taiwan, May 10, 2007 - Himax Technologies, Inc. ("Himax" or "Company") (NASDAQ: HIMX) today reported financial results for the first quarter ended March 31, 2007.

Net revenue for the first quarter of 2007 was \$184.9 million, compared to \$174.9 million for the first quarter of 2006, and \$220.9 million in the fourth quarter of 2006. Net income for the first quarter of 2007 was \$18.0 million, or \$0.09 per diluted share, compared to net income of \$21.9 million, or \$0.12 per diluted share in the first quarter of 2006, and \$31.1 million, or \$0.16 per diluted share in the fourth quarter of 2006. Share-based compensation was \$1.5 million, \$1.1 million and \$1.5 million in the first quarter of 2007, the first quarter of 2006 and the fourth quarter of 2006, respectively.

Gross margin in the first quarter of 2007 was 19.5%, as compared to 21.5% in the first quarter of 2006, and 18.9% in the fourth quarter of 2006. Operating margin was 9.1% in the first quarter of 2007, as compared to 13.5% in the first quarter of 2006, and 10.1% in the fourth quarter of 2006.

Excluding share-based compensation, gross margin was 19.5% in the first quarter of 2007, 21.5% in the first quarter of 2006, and 18.9% in the fourth quarter of 2006, with an operating margin of 10.4%, 14.1%, and 10.8%, respectively.

A reconciliation of our gross margin and operating margin excluding share-based compensation and acquisition-related charges, a non-GAAP financial measure, to GAAP gross margin and GAAP operating margin, our most comparable GAAP figure, is set out in the attached reconciliation schedule.

Jordan Wu, President and Chief Executive Officer of Himax, commented, "We are pleased that our revenues, gross margin and EPS were all inline with our previous guidance. The decline in revenue reflects the traditionally seasonal lower demand and fewer working days in the holiday month of February. Revenue from large panel display drivers were lower sequentially, inline with expectations. Revenue from small- and medium-sized display drivers was up strongly on a sequential basis, primarily due to better sales in both mobile phone and consumer electronic product segments, share gains at certain first tier Japanese customers and the acquisition of Wisepal."

Max Chan, Chief Financial Officer of Himax, said, "Our gross margin increased to 19.5% from 18.9% a quarter ago, due to our continued efforts to diversify our product mix and lower our costs. Small- and medium-sized driver ICs, which typically enjoy a higher gross margin, accounted for approximately 16% of our revenue in the period, up from approximately 11% of our revenue a quarter ago. Our income before tax and minority interest declined primarily due to a lower revenue base. We expect our effective tax rate for 2007 to be around 0% based on which we have recorded net tax benefit or expense of zero in the first quarter."

Looking forward, Mr. Wu added, "For the second quarter of 2007, we expect overall revenue will improve approximately 17% to 20% compared to the first quarter of 2007. We expect demand for our large panel drivers will increase as our customers raise fab utilization to fulfill increasing

demand for all large panel products across the board. We also expect sales of our small- and medium-sized drivers to remain healthy as several of our design-in projects have begun mass production. We expect our gross margin to remain flat or decline slightly compared to the first quarter 2007, with diluted GAAP EPS is expected to be in the range of \$0.10 to \$0.11.”

A reconciliation of our diluted EPS excluding share-based compensation and acquisition-related charges, a non-GAAP financial measure, to diluted GAAP EPS, our most comparable GAAP figure, is set out in the attached reconciliation schedule.

Investor Conference Call / Webcast Details

The Company’s management will review detailed first quarter 2007 results on Wednesday, May 9, 2007 at 7:00 PM EDT (7:00 AM, Thursday May 10, Taiwan time). The conference call-in number is +1-201-689-8560 (international) and +1-877-407-0784 (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 conclusion of the conference call and will be accessible by dialing +1-201-612-7415 (international) and 1-877-660-6853 (U.S. domestic). The account number to access the replay is 3055 and the confirmation ID number is 238293.

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 digital cameras, mobile gaming devices and car navigation displays. In addition, the Company is expanding its product offering to include LCD TV chipset solutions and LCOS microdisplays. Based in Tainan, Taiwan, the Company has regional offices in Hsinchu and Taipei, Taiwan; Suzhou and Shenzhen, China; Yokohama, Japan and Anyangsi Kyungkido, South Korea.

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Forward-Looking Statements:

Certain statements in this press release, including statements regarding expected future financial results and industry growth, 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 press release. Factors that could cause actual results to differ include general business and economic conditions and the state of the semiconductor industry; level of competition; demand for end-use applications products; reliance on a small group of principal customers; continued success in technological innovations; development of alternative flat panel display technologies; ability to develop and protect our intellectual property; pricing pressures including declines in average selling prices; changes in customer order patterns; shortages in supply of key components; changes in environmental laws and regulations; exchange rate fluctuations; regulatory approvals for further investments in our subsidiaries; and other risks described from time to time in the Company’s SEC filings, including its Form F-1 dated March 13, 2006, as amended. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

– 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.)
(Figures in Thousands of U.S. Dollars, Except Per Share Data)

	Three Months Ended March 31,		Three Months Ended December 31,
	2007	2006	2006
Revenues			
Revenues from third parties, net	\$75,836	\$65,427	\$90,947
Revenues from related parties, net	109,055	109,432	129,932
	<u>184,891</u>	<u>174,859</u>	<u>220,879</u>
Costs and expenses:			
Cost of revenues	148,830	137,298	179,214
Research and development	14,800	10,902	13,883
General and administrative	3,000	2,058	3,180
Sales and marketing	1,501	1,007	2,280
Total costs and expenses	<u>168,131</u>	<u>151,265</u>	<u>198,557</u>
Operating income	<u>16,760</u>	<u>23,594</u>	<u>22,322</u>
Non operating income (loss):			
Interest income	1,382	205	1,812
Foreign exchange losses, net	(490)	(232)	(209)
Interest expense	---	(284)	---
Other income , net	42	55	61
	<u>934</u>	<u>(256)</u>	<u>1,664</u>
Income before income taxes and minority interest	17,694	23,338	23,986
Income tax expense (benefit)	---	1,491	(6,937)
Income before minority interest	17,694	21,847	30,923
Minority interest, net of tax	325	92	178
Net income	<u>\$18,019</u>	<u>\$21,939</u>	<u>\$31,101</u>
Basic earnings per ordinary share and ADS	<u>\$0.09</u>	<u>\$0.12</u>	<u>\$0.16</u>
Diluted earnings per ordinary share and ADS	<u>\$0.09</u>	<u>\$0.12</u>	<u>\$0.16</u>
Basic Weighted Average Outstanding Shares	195,761	178,575	198,154
Diluted Weighted Average Outstanding Shares	195,968	182,271	199,419

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

The amount of share-based compensation included in applicable costs and expenses categories is summarized as follows:	Three Months Ended March 31,		Three Months Ended December 31,
	2007	2006	2006
Share-based compensation			
Cost of revenues	\$25	\$24	\$25
Research and development	1,187	864	1,161
General and administrative	151	105	151
Sales and marketing	156	145	156
Total	\$1,519	\$1,138	\$1,493

Himax Technologies, Inc.
Unaudited Condensed Consolidated Balance Sheets
(Figures in Thousands of U.S. Dollars)

	<u>Mar 31, 2007</u>	<u>Dec 31, 2006</u>	<u>Mar 31, 2006</u>
Assets			
Current assets:			
Cash and cash equivalents	\$111,838	\$109,753	\$31,247
Marketable securities available-for-sale	12,783	8,828	3,150
Restricted cash equivalents and marketable securities	106	108	14,558
Accounts receivable, less allowance for doubtful accounts, sales returns and discounts	108,147	112,363	73,178
Accounts receivable from related parties, less allowance for doubtful accounts, sales returns and discounts	105,740	117,254	71,540
Inventories	119,379	101,341	99,539
Deferred income taxes	7,401	7,362	9,645
Prepaid expenses and other current assets	10,276	10,343	10,328
Total current assets	\$475,670	\$467,352	\$313,185
Property and equipment, net	45,767	38,895	\$25,943
Deferred income taxes	11,964	11,405	145
Intangible assets, net	35,865	393	74
Investments in non-marketable securities	817	817	1,813
Refundable deposits	618	550	488
	95,031	52,060	28,463
Total assets	\$570,701	\$519,412	\$341,648
Liabilities, minority interest and stockholders' equity			
Current liabilities:			
Short-term debt	\$ ---	\$ ---	\$38,577
Accounts payable	121,459	120,407	85,489
Income tax payable	12,150	12,284	15,915
Other accrued expenses and other current liabilities	17,183	21,398	12,167
Total current liabilities	\$150,792	\$154,089	\$152,148
Minority interest	\$1,980	\$1,396	\$609
Stockholders' equity:			
Ordinary share, US\$0.0001 par value, 500,000,000 shares authorized	20	19	18
Additional paid-in capital	257,678	221,666	99,570
Accumulated other comprehensive income (loss)	(305)	(275)	37
Unappropriated earnings	160,536	142,517	89,266
Total stockholders' equity	\$417,929	\$363,927	\$188,891
Total liabilities, minority interest and stockholders' equity	\$570,701	\$519,412	\$341,648

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

	Three Months Ended March 31,		Three Months Ended December 31,
	2007	2006	2006
Cash flows from operating activities:			
Net income	\$18,019	\$21,939	\$31,101
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	2,026	1,218	1,680
Write-off of in-process research and development	700	---	---
Share-based compensation expenses	1,519	1,138	1,493
Minority interest, net of tax	(325)	(92)	(178)
Loss on disposal of property and equipment	35	31	---
Gain on sale of subsidiary shares and investments in non-marketable securities, net	(21)	(43)	(49)
Gain on sale of marketable securities, net	(30)	(15)	(12)
Deferred income taxes	---	(679)	(7,332)
Inventories write downs	3,118	756	2,050
Changes in operating assets and liabilities:			
Accounts receivable	6,084	6,998	(10,488)
Accounts receivable from related parties	11,514	(1,879)	(45,667)
Inventories	(20,803)	4,708	7,527
Prepaid expenses and other current assets	(85)	1,801	4,125
Accounts payable	416	(20,312)	13,578
Income tax payable	---	2,333	457
Other accrued expenses and other current liabilities	(6,290)	(1,746)	3,067
Net cash provided by operating activities	<u>15,877</u>	<u>16,156</u>	<u>1,352</u>
Cash flows from investing activities:			
Purchase of property and equipment	(6,483)	(3,886)	(4,187)
Purchase of available-for-sales marketable securities	(17,581)	---	(12,678)
Sales and maturities of available-for-sale marketable securities	13,639	878	7,940
Cash acquired in acquisition	6,197	---	17
Proceeds from sale of subsidiary shares and investments in non-marketable securities by Himax Technologies Limited	34	124	1,537
Purchase of subsidiary shares from minority interest	(17)	(23)	(602)
Refund from (increase in) refundable deposits	(16)	223	63
Release (pledge) of restricted cash equivalents and marketable securities	2	(505)	(75)
Net cash used in investing activities	<u>(4,225)</u>	<u>(3,189)</u>	<u>(7,985)</u>

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

	Three Months Ended March 31,		Three Months Ended December 31,
	2007	2006	2006
Cash flows from financing activities:			
Proceeds from initial public offering, net of issuance costs	\$---	\$---	\$(392)
Proceeds from issuance of new shares by subsidiaries	1,217	---	---
Acquisition of ordinary shares for retirement	(10,841)	---	(38,835)
Proceeds from borrowing of short-term debt	---	11,303	---
Repayment of long-term debt	---	(89)	---
Net cash provided by (used in) financing activities	<u>(9,624)</u>	<u>11,214</u>	<u>(39,227)</u>
Effect of exchange rate changes on cash and cash equivalents	57	(20)	19
Net increase (decrease) in cash and cash equivalents	2,085	24,161	(45,841)
Cash and cash equivalents at beginning of period	109,753	7,086	155,594
Cash and cash equivalents at end of period	<u>\$111,838</u>	<u>\$31,247</u>	<u>\$109,753</u>
Supplemental disclosures of cash flow information:			
Cash paid during the period for:			
Interest	<u>\$---</u>	<u>\$283</u>	<u>\$---</u>
Income taxes	<u>\$17</u>	<u>\$15</u>	<u>\$110</u>
Supplemental disclosures of non-cash investing and financing activities:			
Payable for purchase of equipment and construction in progress	<u>\$1,384</u>	<u>\$893</u>	<u>\$2,721</u>
Fair value of common stocks issued by Himax Display, Inc. in the acquisition of Integrated Microdisplays Limited	<u>\$---</u>	<u>\$---</u>	<u>\$538</u>
Fair value of ordinary shares issued by Himax Technologies, Inc. in the acquisition of Wisepal Technologies, Inc.	<u>\$45,031</u>	<u>\$---</u>	<u>\$---</u>

Himax Technologies, Inc.
Unaudited Supplemental Data – Reconciliation Schedule
(Figures in Thousands of U.S. Dollars, Except Per Share Data)

Gross Margin and Operating Margin Excluding Share-based Compensation and Acquisition-Related Charges:

	Three Months Ended March 31,		Three Months Ended December 31,
	2007	2006	2006
Revenues	\$184,891	\$174,859	\$220,879
Gross profit	36,061	37,561	41,665
Add: Share-based compensation – Cost of revenues	25	24	25
Gross profit excluding share-based compensation	36,086	37,585	41,690
Gross margin excluding share-based compensation	19.5%	21.5%	18.9%
Operating income	16,760	23,594	22,322
Add: Share-based compensation	1,519	1,138	1,493
Operating income excluding share-based compensation	18,279	24,732	23,815
Add: Acquisition-related charges – In-process R&D write off	700	---	---
– Intangible assets amortization	187	---	---
Operating income excluding share-based compensation and acquisition-related charges	19,166	24,732	23,815
Operating margin excluding share-based compensation and acquisition-related charges	10.4%	14.1%	10.8%

*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

Diluted Earnings Per Share Excluding Share-based Compensation and Acquisition-Related Charges:

	Three Months Ended March 31, 2007
Diluted GAAP EPS	\$0.09
Add: Estimated share-based compensation per diluted share	\$0.01
Add: Estimated acquisition-related charges per diluted share	\$---
Diluted non GAAP EPS excluding share-based compensation and acquisition-related charges	\$0.10

Numbers do not add up due to rounding