



HIMAX REPORTS SECOND QUARTER 2009 FINANCIAL RESULTS

Highlights:

- Net income and EPS attributable to Himax stockholders in the second quarter were \$15.4 million and \$0.08, respectively, each more than tripling from the previous quarter
- Recapitalization in preparation for dual listing on the Taiwan Stock Exchange and ADS ratio change will be effective on Monday, August 10, before the NASDAQ market opens
- Each ADS will represent the same percentage ownership of the share capital of the Company immediately before and after the proposed recapitalization and ADS ratio change

Tainan, Taiwan, August 6, 2009 - Himax Technologies, Inc. ("Himax" or "Company") (NASDAQ: HIMX) today reported financial results for the second quarter ended June 30, 2009.

For the second quarter of 2009, Himax reported net revenues of \$184.9 million, representing a 25.1% decrease from \$246.9 million for the second quarter of 2008 and a 47.2% increase from \$125.7 million for the first quarter of 2009. Gross margin was 20.8% for the second quarter of 2009, down 470 basis points year-over-year and down 10 basis points sequentially. Operating income for the quarter was \$14.8 million, compared to \$34.8 million for the same period last year and operating income of \$4.8 million for the previous quarter.

Net income attributable to Himax stockholders for the second quarter of 2009 was \$15.4 million or \$0.08 per diluted share attributable to Himax stockholders, down from \$37.7 million or \$0.20 per diluted share attributable to Himax stockholders for the second quarter of 2008 and up from \$4.4 million or \$0.02 per diluted share attributable to Himax stockholders for the first quarter of 2009.

Excluding share-based compensation and acquisition-related charges, non-GAAP operating income for the second quarter of 2009 was \$17.7 million, down from \$37.8 million for the same period last year, and up from \$7.7 million for the previous quarter.

Non-GAAP net income attributable to Himax stockholders for the second quarter of 2009 was \$17.9 million or \$0.10 per diluted share attributable to Himax stockholders, down from \$39.8 million or \$0.21 per diluted share attributable to Himax stockholders for the second quarter of 2008, and up from \$7.0 million or \$0.04 per diluted share attributable to Himax stockholders for the first quarter of 2009.

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.

Jordan Wu, President and Chief Executive Officer of Himax, commented, "Demand for our display drivers rebounded strongly in the second quarter, particularly for TV applications. However, the shortage in certain components for TFT-LCD panels, most notably the glass substrate, had limited the growth momentum in our customers' panel shipment and demand for our display drivers. Product-wise, we are leveraging our worldwide leadership in TFT-LCD display drivers to further expand our product portfolio into other display-related semiconductors. Last week, we announced our white LED driver line for the fast-growing netbook and notebook LED backlight market. Our TV chipset and monitor scaler line is ramping up revenues quickly as a result of increasing design-in activities and adoptions at a number of Chinese TV and monitor manufacturers, including certain tier-one brands."

Mr. Wu continued, "To comply with Taiwan listing requirements and to ensure sufficient float on the Taiwan Stock Exchange, the Board has proposed some necessary revisions to our Memorandum and Articles of Associations and a recapitalization plan to effect a change in the par value of our ordinary shares from \$0.0001 per share to \$0.30, or approximately NT\$10, per share, and an increase in the

number of ordinary shares outstanding to double the current amount. Concurrently with the recapitalization plan, if approved at the AGM, we will take into effect an ADS ratio change to have one ADS represent two ordinary shares, as compared to the current ratio of one ADS representing one ordinary share. As a result of the ADS ratio change, the percentage ownership of our share capital represented by each ADS, immediately before and after the proposed recapitalization and ADS ratio change, will remain unchanged. The proposed recapitalization and ADS ratio change, subjective to certain approvals, will become effective on Monday, August 10, before market opens.”

Mr. Wu added, “Looking forward, the shortage of glass substrate for TFT-LCD panels is expected to continue in the third quarter of 2009, which is a factor of uncertainty for our third quarter guidance. In addition, the capacity tightness for certain of our semiconductor subcontractors, particularly the backend packaging and testing houses, would increase our costs of revenues and may negatively impact our gross margin. For the third quarter, we expect revenues to grow by double-digit percentage points sequentially, gross margin to decline slightly and GAAP earnings per ADS to be in the range of \$0.04 to \$0.06 based on the assumption of having 185 million diluted weighted average shares, with each ADS representing one share. Our third quarter guidance on GAAP earnings per ADS have taken into account our 2009 restricted awards grant scheduled at the end of September. The 2009 restricted awards is assumed to be valued at around \$10 to 14 million, of which approximately 50% to 70% to be vested and expensed immediately on the grant date. “

Investor Conference Call / Webcast Details

The Company’s management will review detailed second quarter 2009 results on Wednesday, August 5, 2009 at 7:00 PM EDT (7:00 AM, Thursday, August 6, Taiwan time). The conference dial-in numbers are +1-201-689-8470 (international) and +1-877-407-9039 (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 Thursday, August 13, 2009 (midnight U.S. Eastern Daylight Time) at www.himax.com.tw and by telephone at +1-201-612-7415 (international) or +1-877-660-6853 (U.S. domestic). The account number to access the replay is 3055 and the conference ID number is 327791.

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 and CMOS Image Sensors. 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; Anyang-si Kyungki-do, and Cheonan-si, Chungcheongnam-do, South Korea; and Irvine California, USA.

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Forward-Looking Statements:

Factors that could cause our actual results to differ materially include, but not limited to, those expressed or implied in these forward-looking statements for a variety of reasons, including, among other things and not limited to, our anticipated growth strategies, our future business developments, results of operations and financial condition, our ability to develop new products, the expected growth of the display driver markets, the expected growth of end-use applications that use flat panel displays, particularly TFT-LCD panels, development of alternative flat panel display technologies, our ability to collect accounts receivable and manage inventory, changes in economic and financial market conditions, 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.

– 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,
	2009	2008	2009
Revenues			
Revenues from third parties, net	\$ 63,348	\$ 92,430	\$ 44,373
Revenues from related parties, net	121,579	154,437	81,283
	184,927	246,867	125,656
Costs and expenses:			
Cost of revenues	146,539	183,797	99,441
Research and development	17,576	20,532	15,249
General and administrative	3,885	5,105	3,594
Sales and marketing	2,126	2,622	2,549
Total costs and expenses	170,126	212,056	120,833
Operating income	14,801	34,811	4,823
Non operating income (loss):			
Interest income	284	924	282
Foreign exchange gains (losses), net	1,006	(522)	(1,415)
Other income (loss), net	17	762	(138)
	1,307	1,164	(1,271)
Earnings before income taxes	16,108	35,975	3,552
Income tax expense (benefit)	1,717	(702)	249
Net income	14,391	36,677	3,303
Net loss attributable to the noncontrolling interests	1,032	1,037	1,066
Net income attributable to Himax stockholders	\$ 15,423	\$ 37,714	\$ 4,369
Basic earnings per ordinary share and ADS attributable to Himax stockholders	\$ 0.08	\$ 0.20	\$ 0.02
Diluted earnings per ordinary share and ADS attributable to Himax stockholders	\$ 0.08	\$ 0.20	\$ 0.02
Basic Weighted Average Outstanding Shares	185,992	191,301	188,883
Diluted Weighted Average Outstanding Shares	186,801	192,552	188,883

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,	
	2009	2008
Revenues		
Revenues from third parties, net	\$107,721	\$169,891
Revenues from related parties, net	202,862	308,564
	310,583	478,455
Costs and expenses:		
Cost of revenues	245,980	356,746
Research and development	32,825	41,078
General and administrative	7,479	8,975
Sales and marketing	4,675	5,180
Total costs and expenses	290,959	411,979
Operating income	19,624	66,476
Non operating income (loss):		
Interest income	566	1,701
Foreign exchange gains (losses), net	(409)	848
Other income (loss), net	(121)	854
	36	3,403
Earnings before income taxes	19,660	69,879
Income tax expense	1,966	---
Net income	17,694	69,879
Net loss attributable to the noncontrolling interests	2,098	1,972
Net income attributable to Himax stockholders	\$19,792	\$71,851
Basic earnings per ordinary share and ADS attributable to Himax stockholders	\$0.11	\$0.38
Diluted earnings per ordinary share and ADS attributable to Himax stockholders	\$0.11	\$0.37
Basic Weighted Average Outstanding Shares	187,429	191,422
Diluted Weighted Average Outstanding Shares	187,569	192,518

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,
	2009	2008	2009
Share-based compensation			
Cost of revenues	\$ 13	\$ 28	\$ 13
Research and development	1,807	1,935	1,783
General and administrative	271	232	272
Sales and marketing	260	244	274
Income tax benefit	(295)	---	(101)
Total	\$ 2,056	\$ 2,439	\$ 2,241

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

Acquisition-related charges			
Research and development	\$ 258	\$ 239	\$ 258
Sales and marketing	290	289	290
Income tax benefit	(162)	(920)	(162)
Total	\$ 386	\$ (392)	\$ 386

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,	
	2009	2008
Share-based compensation		
Cost of revenues	\$ 26	\$ 56
Research and development	3,590	3,807
General and administrative	543	465
Sales and marketing	534	485
Income tax benefit	(396)	---
Total	\$ 4,297	\$ 4,813

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

Research and development	\$ 516	\$ 479
Sales and marketing	580	578
Income tax benefit	(324)	(920)
Total	\$ 772	\$ 137

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

	June 30, 2009	March 31, 2009	December 31, 2008
Assets			
Current assets:			
Cash and cash equivalents	\$ 136,760	\$ 200,678	\$ 135,200
Marketable securities available-for-sale	2,447	3,919	13,870
Accounts receivable, less allowance for doubtful accounts, sales returns and discounts	65,257	52,689	51,029
Accounts receivable from related parties, less allowance for sales returns and discounts	142,064	87,959	104,477
Inventories	83,455	63,908	96,921
Deferred income taxes	21,439	20,747	21,446
Prepaid expenses and other current assets	13,569	9,973	11,707
Total current assets	\$ 464,991	\$ 439,873	\$ 434,650
Property, plant and equipment, net	53,515	53,542	55,111
Deferred income taxes	23,023	22,278	23,029
Goodwill	26,846	26,846	26,846
Intangible assets, net	9,869	10,417	10,965
Investments in non-marketable securities	11,970	11,619	11,619
Refundable deposits and prepaid pension costs	1,290	1,251	1,168
Other assets	3,204	3,186	2,160
	<u>129,717</u>	<u>129,139</u>	<u>130,898</u>
Total assets	\$ 594,708	\$ 569,012	\$ 565,548
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable	\$ 136,550	\$ 63,131	\$ 53,720
Income tax payable	10,174	15,355	15,455
Other accrued expenses and other current liabilities	17,891	15,761	22,455
Total current liabilities	\$ 164,615	\$ 94,247	\$ 91,630
Accrued pension liabilities	207	200	214
Deferred income taxes	2,899	3,066	3,224
Income tax payable	474	459	474
Assets retirement obligation	169	---	---
Total liabilities	\$ 168,364	\$ 97,972	\$ 95,542
Himax stockholders' equity:			
Ordinary shares, US\$0.0001 par value, 500,000,000 shares authorized; 184,987,722, 187,303,186, and 190,119,594 shares issued and outstanding at June 30, 2009, March 31, 2009, and December 31, 2008, respectively	\$ 18	\$ 19	\$ 19
Additional paid-in capital	231,876	235,889	238,499
Accumulated other comprehensive income (loss)	6	(71)	(314)
Unappropriated retained earnings	189,263	229,336	224,967
Himax stockholders' equity	\$ 421,163	\$ 465,173	\$ 463,171
Noncontrolling interests	5,181	5,867	6,835
Total equity	\$ 426,344	\$ 471,040	\$ 470,006
Total liabilities and stockholders' equity	\$ 594,708	\$ 569,012	\$ 565,548

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,
	2009	2008	2009
Cash flows from operating activities:			
Net income attributable to Himax stockholders	\$ 15,423	\$ 37,714	\$ 4,369
Adjustments to reconcile net income attributable to Himax stockholders to net cash provided by (used in) operating activities:			
Depreciation and amortization	3,530	3,067	3,196
Provision (reversal) for allowance for doubtful accounts	(129)	8	389
Share-based compensation expenses	2,351	2,439	2,342
Net loss attributable to the noncontrolling interests	(1,032)	(1,037)	(1,066)
Loss (gain) on disposal of property and equipment	(12)	79	19
Gain on disposal of subsidiary shares, net	---	(91)	---
Loss (gain) on disposal of marketable securities, net	---	(648)	156
Deferred income tax benefit	(1,604)	(989)	1,292
Inventories write downs	3,223	5,944	3,976
Changes in operating assets and liabilities:			
Accounts receivable	(12,439)	(19,887)	(2,049)
Accounts receivable from related parties	(54,097)	6,327	16,509
Inventories	(22,770)	(14,783)	29,037
Prepaid expenses and other current assets	(3,571)	(456)	498
Accounts payable	73,419	17,481	9,411
Income tax payable	(5,166)	(6,162)	(115)
Other accrued expenses and other current liabilities	2,263	314	(3,333)
Net cash provided by (used in) operating activities	<u>(611)</u>	<u>29,320</u>	<u>64,631</u>
Cash flows from investing activities:			
Purchase of property and equipment	(2,870)	(3,038)	(3,097)
Proceeds from disposal of property and equipment	1	---	---
Purchase of available-for-sale marketable securities	(5,147)	(6,275)	(6,552)
Disposal of available-for-sale marketable securities	6,693	11,508	16,170
Proceeds from disposal of subsidiary shares by Himax Technologies Limited	333	182	106
Purchase of investments in non-marketable securities	(351)	---	---
Purchase of subsidiary shares from the noncontrolling interests	(33)	(205)	(50)
Increase in refundable deposits	(17)	(81)	(100)
Pledge of restricted marketable securities	(21)	(17)	(1,014)
Net cash provided by (used in) investing activities	<u>(1,412)</u>	<u>2,074</u>	<u>5,463</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,
	2009	2008	2009
Cash flows from financing activities:			
Distribution of cash dividends	\$ (55,496)	\$ (66,817)	\$ ---
Proceeds from issuance of new shares by subsidiaries	55	---	47
Payments to acquire ordinary shares for retirement	(6,458)	(7)	(5,072)
Net cash used in financing activities	(61,899)	(66,824)	(5,025)
Effect of exchange rate changes on cash and cash equivalents	4	(1)	409
Net increase (decrease) in cash and cash equivalents	(63,918)	(35,431)	65,478
Cash and cash equivalents at beginning of period	200,678	125,835	135,200
Cash and cash equivalents at end of period	\$ 136,760	\$ 90,404	\$ 200,678
Supplemental disclosures of cash flow information:			
Cash paid during the period for income taxes	\$ 7,608	\$ 6,531	\$ 26

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
	2009	2008	2009
Revenues	\$ 184,927	\$ 246,867	\$ 125,656
Gross profit	38,388	63,070	26,215
Add: Share-based compensation – Cost of revenues	13	28	13
Gross profit excluding share-based compensation	38,401	63,098	26,228
Gross margin excluding share-based compensation	20.8%	25.6%	20.9%
Operating income	14,801	34,811	4,823
Add: Share-based compensation	2,351	2,439	2,342
Operating income excluding share-based compensation	17,152	37,250	7,165
Add: Acquisition-related charges –Intangible assets amortization	548	528	548
Operating income excluding share-based compensation and acquisition-related charges	17,700	37,778	7,713
Operating margin excluding share-based compensation and acquisition-related charges	9.6%	15.3%	6.1%
Net income attributable to Himax stockholders	15,423	37,714	4,369
Add: Share-based compensation, net of tax	2,056	2,439	2,241
Add: Acquisition-related charges, net of tax	386	(392)	386
Net income attributable to Himax stockholders excluding share-based compensation and acquisition-related charges	17,865	39,761	6,996
Net margin attributable to Himax stockholders excluding share-based compensation and acquisition-related charges	9.7%	16.1%	5.6%

*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,	
	2009	2008
Revenues	\$310,583	\$478,455
Gross profit	64,603	121,709
Add: Share-based compensation – Cost of revenues	26	56
Gross profit excluding share-based compensation	64,629	121,765
Gross margin excluding share-based compensation	20.8%	25.4%
Operating income	19,624	66,476
Add: Share-based compensation	4,693	4,813
Operating income excluding share-based compensation	24,317	71,289
Add: Acquisition-related charges –Intangible assets amortization	1,096	1,057
Operating income excluding share-based compensation and acquisition-related charges	25,413	72,346
Operating margin excluding share-based compensation and acquisition-related charges	8.2%	15.1%
Net income attributable to Himax stockholders	19,792	71,851
Add: Share-based compensation, net of tax	4,297	4,813
Add: Acquisition-related charges, net of tax	772	137
Net income attributable to Himax stockholders excluding share-based compensation and acquisition-related charges	24,861	76,801
Net margin attributable to Himax stockholders excluding share-based compensation and acquisition-related charges	8.0%	16.1%

*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 Share Attributable to Himax stockholders Excluding Share-based Compensation and Acquisition-Related Charges:

	Three Months Ended June 30, 2009	Six Months Ended June 30, 2009
Diluted GAAP EPS attributable to Himax stockholders	\$0.08	\$0.11
Add: Share-based compensation per diluted share	\$0.01	\$0.02
Add: Acquisition-related charges per diluted share	\$---	\$---
Diluted non GAAP EPS attributable to Himax stockholders excluding share-based compensation and acquisition-	\$0.10	\$0.13
Numbers do not add up due to rounding		