LIVE CALL INFORMATION	REPLAY INFORMATION
Thursday, February 14, 2008 7AM Taiwan **Wednesday, February 13, 2008 6PM NYC** **CEO / CFO Number: 1-201-689-8561** **Listener Call Number: 1-201-689-8560**	Accessible 2 hours after the call through noon on Thursday, February 21, 2008 Taiwan Replay Number: 1-201-612-7415 Account number: 3055 Conference ID number: 270446

Operator Intro: Welcome to Himax Technologies fourth quarter 2007 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 the 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 noon on Thursday, February 21, 2008 in Taiwan. The replay dial-in number is 1-201-612-7415 with account number 3055 and conference ID number 270446. The replay will also be accessible at www.himax.com.tw.

Joseph

Thank you operator. Welcome everyone to Himax's fourth quarter 2007 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.

If you have not yet received a copy of today's results release, please call The Ruth Group at 1-646-536-7026. Or you can get a copy off Himax's website at www.himax.com.tw.

Before we begin the formal remarks, the Company's attorneys advise that certain statements in this conference call, 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 conference call.

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; 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 20-F dated June 22, 2007, as amended.

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.

I will now start with a brief highlight of Himax's performance during the fourth quarter of 2007 and discuss the outlook for the first quarter of 2008. Max, our CFO, will then provide further details on our financial performance.

We have concluded another remarkable quarter with revenues, net income, and EPS all achieving record-high levels. Also, our fourth quarter revenues, gross margin, and EPS all came in higher than our previous guidance. We achieved net revenues of $267.1 million, representing a 20.9% growth year-over-year and a 9.8% growth sequentially.

Revenues from large panel display drivers were up 11.9% from the same period last year, or up 7.0% sequentially and accounted for 80.8% of our total revenues in the fourth quarter. The increase in revenues was primarily due to the strong demand for LCD TVs in the holiday seasons.

Revenues from small- and medium-sized display drivers grew 88.5% year-over-year and grew 28.3% sequentially. Small- and medium-sized revenues accounted for about 16.6% of our total revenues. Among various applications, demand for our handset drivers was especially strong in the fourth quarter as we were ramping shipments for both the China market and international brands.

For the full year 2007, our small- and medium-sized display driver revenues achieved an impressive growth of 76.2% year-over-year. As a percentage of our total revenues, small- and medium-sized display driver accounted for 15.5% in 2007, a significant increase from 10.8% in 2006. The strong growth was a result of our continued efforts in broadening our product lines and customer base, and the acquisition of Wisepal in February, 2007. As we continue to strengthen our working relationship with several of the world's top-tier mobile display module makers, we are very positive about the long-term growth prospect of our small- and medium-sized product line.

Our gross margin was 24.7% in the fourth quarter of 2007, up 580 basis points year-over-year and 220 basis points sequentially. We are pleased that we were able to improve our gross margin for the fifth consecutive quarter. This positive trend showed the results of our continued efforts in diversifying our product offerings and reducing costs. Max will discuss our financials in more details.

Towards the end of 2007, we announced a couple of new products in the display driver space. We introduced the HX8352, a new generation handset single chip display driver that emphasizes a strong combination of high speed data transmission and low power consumption. This product is well accepted by a number of our handset panel module customers across Taiwan, China, Japan, and Korea and is in its early stage of mass production. We believe that this latest display driver, together with a series of other products of the same generation, can provide significant value to customers in their design of new multimedia-rich and power-conscious portable devices.

Also, we introduced a patented technology, CMDI, a new driver interface which, when used in laptop computers, enables thin and light form factor and lower power consumption. It supports resolutions up to 1920 X 1200. The CMDI technology has passed qualifications at certain North America notebook brands and is in early stage of mass production.

The introduction of these innovative and leading-edge products again illustrates Himax's capability in setting new industry standards and providing value to our customers' development of new products.

During the past few months, we also made a couple of strategic moves in our non-driver IC areas where we formed business alliances with leading players in the industry. We believe these moves will provide significant values to our shareholders in the long term.

In the beginning of 2008, Chi Mei Optoelectronics, one of the world's leading LCD panel manufacturers, and TPV Technologies Limited, the world's largest LCD monitor manufacturer and the world's largest LCD TV ODM, each took a minority ownership stake in Himax Media Solutions, Inc., a subsidiary of Himax. After the transaction, Himax retains a controlling stake of 80.1% in Himax Media Solutions, with CMO taking 6.6% and TPV taking 4.4% respectively. The remainder of the shares is held primarily by employees. We believe that these strategic investments will provide Himax Media Solutions added competitive strength and further validate our strategy in the non-driver space.

Separately, right before CES this year in Las Vegas, we announced a strategic alliance with 3M, one of the world's leading companies in optics technologies, to commercialize LCOS mobile projectors by combining the two companies' proprietary technologies to deliver a complete mobile projector solution to consumer electronics manufacturers. Under the strategic alliance agreement, 3M provides a unique optical engine, while Himax Display, a 87.8%-owned subsidiary of Himax, offers its proprietary single-panel color filter type LCOS microdisplay, and Himax Technologies, the parent company, provides the driving circuit and related electronics. We believe this combination enables the best mobile projector solution in the market.

Many consumer electronics manufacturers have showed strong interests in the mobile projector solution offered by 3M and Himax. We expect this solution to be adopted in applications such as mobile phones, notebook PCs, digital cameras and portable multimedia players, and is scheduled to be introduced to the market in the second quarter of 2008.

In summary, 2007 was a remarkable year for Himax. We achieved revenues of $918.2 million in 2007, representing a year-over-year growth of 23.3%. With better product mix and cost structure, our 2007 full year net income and EPS came in at $112.7 million and $0.57 respectively, representing a year-over-year growth of 49.9% and 46.2% respectively.

Looking ahead, despite uncertainties in the worldwide economy, we remain confident of our long-term prospects. During 2008, display drivers will continue to be our main business, for which our primary goal is still to gain further market share across all LCD panel applications. In addition, we remain fully committed to making Himax a world-leading semiconductor solution provider for displays with a more diversified product portfolio beyond display drivers. The recent developments in Himax Media Solutions and the 3M strategic alliance were illustrations of our continued efforts toward that goal. While these new areas are now in their early stages of commercialization, we believe they will provide good contribution to our shareholder value in the long term.

Now let me talk about our guidance for the 1st quarter of 2008.

Overall, we expect revenues to decline sequentially in the first quarter of 2008, primarily due to seasonality. We expect revenues to decline by around 15% and gross margin to remain flat or decline slightly. We expect higher operating expenses primarily due to higher R&D expenses for the quarter and higher personnel costs beginning in January 2008. Therefore, we expect diluted GAAP EPS to be in the range of $0.13-$0.15.

Now let me turn over to Max Chan, our CFO, for some financial details.

Mr. Max Chan

Thank you, Jordan.

Our net revenues in the fourth quarter were $267.1 million, a record high, representing a year-over-year growth of 20.9% and a sequential growth of 9.8%.

Our gross margin increased to 24.7% from 22.5% a quarter ago, primarily due to our continued efforts in diversifying our customer base and product offerings, and reducing unit costs.

Our GAAP operating income was also a record-high at $42.4 million, up 90.1% year-over-year, and up 113.3% from $19.9 million in the previous quarter. The year-over-year increase was a result of record high quarterly revenues and improved gross margin. The sharp sequential increase of profit was also attributed significantly to a major reduction in share-based compensation. Please be reminded that we grant our annual RSUs, or Restricted Share Units, at the end of September each year. Of the total 2007 RSU grant of $26.4 million, 54.5% or $14.4 million, were vested immediately. The amount was therefore expensed during the third quarter, causing the third quarter profit to be substantially lower, while the balance will be expensed evenly each quarter across the next three years, subject to adjustments to the estimated forfeiture rate.

Our GAAP operating expenses were $23.4 million in the fourth quarter, down from $34.8 million in the previous quarter. Share-based compensation accrued in the fourth quarter was $1.6 million, which include a reduction of $0.9 million to reflect change in the estimated forfeiture rate, as compared to $1.5 million accrued in the same period last year and $15.7 million in the third quarter of 2007.

Both our GAAP net income and EPS reached record levels. Our GAAP net income was $46.1 million, up 48.1% from the same period last year, and up 111.5% sequentially. GAAP EPS was $0.23, up from $0.16 in the same period last year and $0.11 in the previous quarter. A tax benefit of $2.0 million was recognized in the fourth quarter due to an adjustment to reflect the actual full year 2007 effective tax rate.

Excluding share-based compensation and acquisition-related charges, our non-GAAP operating income, net income, and EPS all achieved record-high levels in the fourth quarter of 2007. Non-GAAP operating income was $44.4 million, up from $23.8 million in the same period last year and $36.2 million in the previous quarter. Non-GAAP net income was $48.1 million, up considerably from $32.6 million in the same period last year, and $38.0 million in the previous quarter. Non-GAAP EPS was $0.24, up from $0.16 in the same period last year and $0.19 in the previous quarter.

Our non-GAAP operating expenses, which exclude share-based compensation and acquisition-related charges, were $21.4 million in the fourth quarter, increased from approximately $18.9 million in the previous quarter. This increase of non-GAAP operating expenses was primarily due to our increased R&D expenses as we continued to develop new products to service our expanding customer base.

In the fourth quarter, our share-based compensation was $1.6 million and acquisition-related charges were $0.5 million.

On November 1st, our board approved a share repurchase program that authorizes the company to repurchase up to $40 million worth of the company's American Depository Shares. Since then, a total of 7.4 million of the company's ADSs has been repurchased from the open market for a total of $32.0 million. Of the $32.0 million, $27.9 million was used in the fourth quarter of 2007 while the remainder was used in January of 2008. The company's issued and outstanding shares were reduced accordingly.

We generated a net operating cash flow of $41.3 million in the fourth quarter. Our net cash and marketable securities available for sale were $110.0 million at the end of 2007, down from $135.4 million a quarter ago. This decrease in cash was primarily due to cash dividends of

$39.7 million, or 20 cents per ADS, distributed at the end of October and cash used for a share-repurchase of $27.9 million in the fourth quarter of 2007.

Our total headcount remained literally unchanged at around 1,050 at the end of the fourth quarter. This includes all subsidiary companies where we have a majority control.

Jordan provided our first quarter of 2008 outlook earlier. We are basing that guidance on 192.5 million diluted weighted average outstanding shares.

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