LIVE CALL INFORMATION	REPLAY INFORMATION
Tuesday, August 7, 2007 7AM Taiwan Monday, August 6, 2007 7PM NYC **CEO / CFO Number: 1-201-689-8561** **Listener Call Number: 1-201-689-8560**	Accessible 2 hours after the call through noon on Tuesday, August 14, 2007 Taiwan Replay Number: 1-201-612-7415 Account number: 3055 Conference ID number: 248178

Operator Intro: Welcome to Himax Technologies second 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 Tuesday, August 14, 2007 in Taiwan. The replay dial-in number is 1-201-612-7415 with account number 3055 and conference ID number 248178. The replay will also be accessible at www.himax.com.tw.

David

Thank you operator. Welcome everyone to Himax's second 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 646-536-7003. Or you can get a copy off of Himax's website.

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 David 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 second quarter of 2007 and discuss the outlook for the third quarter of 2007. Max, our CFO, will then provide further details on our financial performance.

We had a pretty strong second quarter as revenues came in at the top end of our guidance. At the same time, both gross margin and EPS were able to beat our guidance.

Our second quarter net revenue was $222.9 million, representing a 29.8% growth year over year, and a 20.5% growth quarter over quarter. The strong increase in revenue was due to panel makers raising fab utilization to fulfill increasing demand for products across all applications.

In terms of customer mix, revenues from related parties were $120.6 million, about 54.1% of total revenue in the second quarter. Revenues from third parties were $102.3 million, or 45.9 % of total revenue.

Revenues from large panel display drivers were up 24.3% from the same period last year, or up 21.0% sequentially and accounted for approximately 82.2% of our total revenues in the second quarter. Customers raised fab utilization to meet the growing demands for all of TV, monitor and notebook panels. Furthermore, certain of our customers were ramping up their newly installed capacity which helped increase the demand for our products.

Revenues from small- and medium-sized display drivers grew 64.6% year over year and 14.6% sequentially, driven by increasing demand for both our mobile phone and consumer electronic products. Small- and medium-sized revenue accounted for about 15.1% of our total revenues, down slightly from 15.9% in the first quarter. We are pleased with the strong year over year growth which was driven primarily by market share gains, a result of new businesses coming from certain top tier customers.

Our gross margin was 20.4% in the second quarter of 2007, up 120 basis points year over year and 90 basis points sequentially. Despite the tough pricing environment, we are pleased that we were able to improve our gross margin for the third consecutive quarter. This positive trend showed the results of our continued efforts in diversifying our product offering and supplier base.

Our GAAP operating income was $24.9 million, up 31.8% from the same period last year, and up 48.5% from the previous quarter. Our share-based compensation and acquisition-related charges were approximately $1.5 million and $1.6 million respectively. Therefore, excluding share-based compensation and acquisition-related charges, our non-GAAP operating income was $28.1 million with a margin of 12.6%, compared to 11.6% in the same period last year, and 10.4% in the first quarter of 2007.

Our GAAP net income came in at $26.8 million, up 37.5% from the same period last year, and 49.0% from the previous quarter. EPS was $0.14, as compared to $0.10 in the same period last year and $0.09 in the previous quarter.

Excluding share-based compensation and acquisition-related charges, our non-GAAP net income was $30.0 million, up 45.8% from the same period last year, and 47.0% from the previous quarter. Non-GAAP EPS was $0.15 as compared to $0.10 in the same period last year and $0.10 in the previous quarter.

Now let me talk about our guidance for the third quarter of 2007.

We expect sales momentum to carry on into the third quarter. We believe demand for our large panel drivers will continue to increase. We expect our customers to continue their high capacity utilization. Strong momentum in PC-related products, thanks mainly to the back-to-school seasonal demand, will continue to drive panel sales. Demand for our TV-related products remain robust, primarily a result of the continued ramping of new capacity in certain of our customers. Outlook for our small- and medium-sized products remains healthy as our product offering, technology roadmap, and design-in status with several tier-1 customers look promising.

Overall, we expect revenue to grow around 8 to 10% sequentially in the third quarter and gross margin to remain flat. We expect diluted GAAP EPS to be in the range of $0.08 to $0.09. Our

2007 RSU is expected to be granted at the end of September 2007, of which a portion will be immediately expensed on the grant date.

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 second quarter were $222.9 million, representing a year-on-year growth of 29.8% and a sequential growth of 20.5%.

Our gross margin increased to 20.4% from 19.5% a quarter ago, primarily due to product mix change.

Our GAAP operating expenses were $20.5 million in the second quarter, up from $19.3 million in the previous quarter.

Our non-GAAP operating expenses, excluding share-based compensation and acquisition-related charges were approximately $17.4 million in the second quarter, slightly increased from approximately $16.9 million in the previous quarter. In the second quarter, share-based compensation was approximately $1.5 million, and acquisition-related charges were approximately $1.6 million, including one-time accounting adjustments of $1.1 million. Going forward, barring further acquisitions, we expect acquisition-related charges to be approximately $0.6 million per quarter.

Our net cash provided by operating activities was approximately $34.6 million, increased from approximately $15.9 million in the previous quarter. This increase was primarily a result of one-time effect of payment term extension received from certain of our vendors.

Capital expenditure for the second quarter was approximately $6.9 million, mainly for the purchase of software, equipments and subsequent payments relating to our headquarters.

Our total headcount became approximately 1,000 at the end of the second quarter.

Jordan provided our 3Q07 outlook earlier. We are basing that guidance on approximately 198 million diluted weighted average outstanding shares.

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