



## HIMAX REPORTS FIRST QUARTER 2009 FINANCIAL RESULTS

### Highlights:

- First quarter 2009 revenues, gross margin and EPS were all within guidance
- Expect second quarter 2009 revenues to grow 52% to 55% sequentially, gross margin to remain flat and GAAP EPS to be in the range of \$0.07 to \$0.09
- Announced an annual cash dividend of \$0.30 per ordinary share

**Tainan, Taiwan, May 19, 2009** - Himax Technologies, Inc. ("Himax" or "Company") (NASDAQ: HIMX) today reported financial results for the first quarter ended March 31, 2009.

For the first quarter of 2009, Himax reported net revenues of \$125.7 million, representing a 45.7% decrease from \$231.6 million for the first quarter of 2008 and a 1.1% increase from \$124.3 million for the fourth quarter of 2008. Gross margin was 20.9% for the first quarter of 2009, down 440 basis points year-over-year and down 10 basis points sequentially. Operating income for the quarter was \$4.8 million, compared to \$31.7 million for the same period last year and operating loss of \$21.3 million for the previous quarter. Excluding the bad debt expense related to SVA-NEC, operating income for the first quarter of 2009 was \$5.2 million, compared to \$4.0 million for the previous quarter.

Net income for the first quarter of 2009 was \$4.4 million or \$0.02 per diluted share, down from \$34.1 million or \$0.18 per diluted share for the first quarter of 2008 and up from a net loss of \$13.2 million or \$0.07 per diluted share for the fourth quarter of 2008. Excluding the bad debt expense related to SVA-NEC and its associated tax benefit, net income for the first quarter of 2009 was \$4.7 million or \$0.03 per diluted share, compared to \$4.2 million or \$0.02 per diluted share for the fourth quarter of 2008.

Excluding share-based compensation and acquisition-related charges, non-GAAP operating income for the first quarter of 2009 was \$7.7 million, down from \$34.6 million for the same period last year, and up from an operating loss of \$18.8 million for the previous quarter. Excluding the bad debt expense related to SVA-NEC, non-GAAP operating income for the first quarter of 2009 was \$8.1 million as compared to \$6.5 million for the fourth quarter of 2008.

Non-GAAP net income for the first quarter of 2009 was \$7.0 million or \$0.04 per diluted share, down from \$37.0 million or \$0.19 per diluted share for the first quarter of 2008, and up from a net loss of \$10.9 million or \$0.06 per diluted share for the fourth quarter of 2008. Excluding the bad debt expense related to SVA-NEC and its associated tax benefit, non-GAAP net income for the first quarter of 2009 was \$7.4 million or \$0.04 per diluted share, as compared to \$6.5 million or \$0.03 per diluted share for the fourth quarter of 2008.

Jordan Wu, President and Chief Executive Officer of Himax, commented, "Our customers' orders declined significantly toward the end of 2008. Starting in the later part of January, we began to see improvement in TFT-LCD panel demand primarily due to the overall inventory replenishments and the stimulus program implemented by the Chinese government for certain electronic appliances sold in rural areas. As a result, there has been an increase in rush orders for TFT-LCD panel manufacturers and for us. Although display drivers typically require the longest manufacturing lead time among the key components used in TFT-LCD panels, we are pleased that we were able to achieve on-time delivery for the majority of our customers' orders, even those where we were given extremely short notice, which allowed our customers to capitalize on the business opportunities. We are proud to demonstrate, once again, our value to our customers through our understanding of the display driver business and our close collaboration with both customers and suppliers."

Mr. Wu added, "We are also leveraging our worldwide leadership in the TFT-LCD display drivers to penetrate other display-related semiconductors, which include timing controllers, LCOS projector solutions, power management ICs, TV chipsets, monitor scalers and CMOS image sensors. As an example, we are now working closely with several of China's tier-one handset solution providers for our LCOS projector solutions and CMOS image sensors. These Chinese handset solution providers play a critical role in the development of the Chinese handset market and ecosystem. Another example to validate this cross-selling strategy is our timing controller and power management ICs where we have been winning new projects from various TFT-LCD panel manufacturers with which we have long been their strategic supplier in the display driver space."

Mr. Wu continued, "While the global financial crisis has had a profound impact on the TFT-LCD industry, we believe that it is a great opportunity for us to capitalize on our strategy and grow our business. Customers around the world are paying attention to suppliers' financial soundness, looking for industry's leaders who have sufficient resources to fund R&Ds, product developments, and customer services on a sustainable basis. Even amid the global economic downturn, our financial position has grown stronger over the past quarter. With no debts, our cash, cash equivalents and marketable securities available for sale were \$204.6 million on March 31, 2009, a \$55.5 million increase from a quarter earlier. Backed by our strong balance sheet, we remain confident in the long-term growth prospects of our business and remain committed to add values to our shareholders."

Mr. Wu continued, "On May 18th, our board approved an annual cash dividend of \$0.30 per ordinary share which will be payable on June 29 to shareholders of record on June 22, 2009 and our books will be closed from June 15 to June 22, 2009."

Mr. Wu added, "We are seeing a strong, across the board rebound in the demand for our display drivers, as customers' capacity utilizations have been substantially improved. We also expect rush orders to continue throughout the second quarter. For the second quarter, we expect revenues to grow 52% to 55% sequentially, gross margin to remain flat and GAAP earnings per share to be in the range of \$0.07 to \$0.09. "

Reconciliation of gross margin (loss), operating margin (loss), net margin (loss) and diluted EPS excluding share-based compensation and acquisition-related charges, a non-GAAP financial measure, to GAAP gross margin (loss), GAAP operating margin (loss), GAAP net margin (loss) and diluted GAAP EPS, 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 2009 results on Tuesday, May 18, 2009 at 7:00 PM EST (7:00 AM, Tuesday, May 19, 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](http://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 320842.

#### **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 notebook computers, digital cameras, mobile gaming devices portable DVD players, digital photo frame and car navigation displays. In addition, the Company is expanding its product offering to include timing controllers, LCD TV 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, Suzhou and Shenzhen, China; Yokohama, Japan; Anyangsi Kyungkido, and Matsusaka, 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)

	<b>Three Months Ended March 31,</b>		<b>Three Months Ended December 31, 2008</b>
	<b>2009</b>	<b>2008</b>	
<b>Revenues</b>			
Revenues from third parties, net	\$ 44,373	\$ 77,461	\$ 46,977
Revenues from related parties, net	81,283	154,127	77,301
	<u>125,656</u>	<u>231,588</u>	<u>124,278</u>
<b>Costs and expenses:</b>			
Cost of revenues	99,441	172,949	98,186
Research and development	15,249	20,546	15,945
General and administrative	3,594	3,870	3,951
Bad debt expense	389	---	25,297
Sales and marketing	2,160	2,558	2,179
<b>Total costs and expenses</b>	<u>120,833</u>	<u>199,923</u>	<u>145,558</u>
<b>Operating income (loss)</b>	<u>4,823</u>	<u>31,665</u>	<u>(21,280)</u>
<b>Non operating income (loss):</b>			
Interest income	282	777	900
Foreign exchange gains (losses), net	(1,415)	1,370	(603)
Other income (loss), net	(138)	92	186
	<u>(1,271)</u>	<u>2,239</u>	<u>483</u>
<b>Earnings (loss) before income taxes</b>	3,552	33,904	(20,797)
Income tax expense (benefit)	249	702	(6,992)
<b>Net income (loss)</b>	3,303	33,202	(13,805)
<b>Net loss attributable to the noncontrolling interests</b>	<u>1,066</u>	<u>935</u>	<u>649</u>
<b>Net income (loss) attributable to Himax stockholders</b>	<u>\$ 4,369</u>	<u>\$ 34,137</u>	<u>\$ (13,156)</u>
<b>Basic earnings (loss) per ordinary share and ADS</b>	<u>\$ 0.02</u>	<u>\$ 0.18</u>	<u>\$ (0.07)</u>
<b>Diluted earnings (loss) per ordinary share and ADS</b>	<u>\$ 0.02</u>	<u>\$ 0.18</u>	<u>\$ (0.07)</u>
<b>Basic Weighted Average Outstanding Shares</b>	188,883	191,542	192,305
<b>Diluted Weighted Average Outstanding Shares</b>	188,883	192,429	192,305

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

<b>The amount of share-based compensation included in applicable statements of income categories is summarized as follows:</b>	<b>Three Months Ended March 31,</b>		<b>Three Months Ended December 31,</b>
	<b>2009</b>	<b>2008</b>	<b>2008</b>
Share-based compensation			
Cost of revenues	\$ 13	\$ 28	\$ 14
Research and development	1,783	1,872	1,496
General and administrative	272	233	207
Sales and marketing	274	241	208
Income tax benefit	(101)	---	(53)
Total	<u>\$ 2,241</u>	<u>\$ 2,374</u>	<u>\$ 1,872</u>

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

Acquisition-related charges			
Research and development	\$ 258	\$ 240	\$ 239
Sales and marketing	290	289	290
Income tax benefit	(162)	---	(162)
Total	<u>\$ 386</u>	<u>\$ 529</u>	<u>\$ 367</u>

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

	<b>March 31, 2009</b>	<b>December 31, 2008</b>	<b>March 31, 2008</b>
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 200,678	\$ 135,200	\$ 125,835
Marketable securities available-for-sale	3,919	13,870	15,216
Accounts receivable, less allowance for doubtful accounts, sales returns and discounts	52,689	51,029	85,795
Accounts receivable from related parties, less allowance for doubtful accounts, sales returns and discounts	87,959	104,477	179,801
Inventories	63,908	96,921	122,437
Deferred income taxes	20,747	21,446	13,520
Prepaid expenses and other current assets	9,973	11,707	9,420
<b>Total current assets</b>	<b>\$ 439,873</b>	<b>\$ 434,650</b>	<b>\$ 552,024</b>
<b>Property, plant and equipment, net</b>	53,542	55,111	46,523
<b>Deferred income taxes</b>	22,278	23,029	22,109
<b>Goodwill</b>	26,846	26,846	26,878
<b>Intangible assets, net</b>	10,417	10,965	12,185
<b>Investments in non-marketable securities</b>	11,619	11,619	11,619
<b>Refundable deposits and prepaid pension costs</b>	1,251	1,168	874
<b>Other assets</b>	3,186	2,160	2,049
	<u>129,139</u>	<u>130,898</u>	<u>122,237</u>
<b>Total assets</b>	<b>\$ 569,012</b>	<b>\$ 565,548</b>	<b>\$ 674,261</b>
<b>Liabilities and Stockholders' Equity</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 63,131	\$ 53,720	\$ 135,163
Income tax payable	15,355	15,455	20,875
Other accrued expenses and other current liabilities	15,761	22,455	19,106
<b>Total current liabilities</b>	<b>\$ 94,247</b>	<b>\$ 91,630</b>	<b>\$ 175,144</b>
<b>Accrued pension liabilities</b>	200	214	233
<b>Deferred income taxes</b>	3,066	3,224	4,547
<b>Income tax payable</b>	459	474	231
<b>Total liabilities</b>	<b>\$ 97,972</b>	<b>\$ 95,542</b>	<b>\$ 180,155</b>
<b>Himax stockholders' equity:</b>			
Ordinary shares, US\$0.0001 par value, 500,000,000 shares authorized; 187,303,186, 190,119,594, and 190,905,649 shares issued and outstanding at March 31, 2009, December 31, 2008, and March 31, 2008, respectively	\$ 19	\$ 19	\$ 19
Additional paid-in capital	235,889	238,499	235,402
Accumulated other comprehensive income (loss)	(71)	(314)	849
Unappropriated retained earnings	229,336	224,967	249,540
<b>Total Himax stockholders' equity</b>	<b>\$ 465,173</b>	<b>\$ 463,171</b>	<b>\$ 485,810</b>
<b>Noncontrolling interests</b>	5,867	6,835	8,296
<b>Total equity</b>	<b>\$ 471,040</b>	<b>\$ 470,006</b>	<b>\$ 494,106</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 569,012</b>	<b>\$ 565,548</b>	<b>\$ 674,261</b>

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

	<b>Three Months Ended March 31,</b>		<b>Three Months Ended December 31,</b>
	<b>2009</b>	<b>2008</b>	<b>2008</b>
<b>Cash flows from operating activities:</b>			
Net income (loss) attributable to Himax stockholders	\$ 4,369	\$ 34,137	\$ (13,156)
Adjustments to reconcile net income (loss) attributable to Himax stockholders to net cash provided by operating activities:			
Depreciation and amortization	3,196	2,939	3,210
Bad debt expense	389	---	25,297
Share-based compensation expenses	2,342	2,374	1,925
Net loss attributable to the noncontrolling interests	(1,066)	(935)	(649)
Loss (gain) on disposal of property and equipment	19	(7)	6
Gain on disposal of subsidiary shares, net	---	(6)	(27)
Loss (gain) on disposal of marketable securities, net	156	(64)	(119)
Deferred income tax benefit	1,292	(2,167)	(11,026)
Inventories write downs	3,976	5,099	3,359
Changes in operating assets and liabilities:			
Accounts receivable	(2,049)	2,919	29,070
Accounts receivable from related parties	16,509	15,105	41,197
Inventories	29,037	(10,923)	15,202
Prepaid expenses and other current assets	498	5,953	3,677
Accounts payable	9,411	(12,083)	(67,463)
Income tax payable	(115)	1,960	3,430
Other accrued expenses and other current liabilities	(3,333)	(109)	(5,135)
<b>Net cash provided by operating activities</b>	<u>64,631</u>	<u>44,192</u>	<u>28,798</u>
<b>Cash flows from investing activities:</b>			
Purchase of property and equipment	(3,097)	(2,263)	(9,364)
Proceeds from disposal of property and equipment	---	29	3
Purchase of available-for-sale marketable securities	(6,552)	(22,550)	(21,487)
Disposal of available-for-sale marketable securities	16,170	22,957	16,763
Proceeds from disposal of subsidiary shares by Himax Technologies Limited	106	9	56
Purchase of investments in non-marketable securities	---	(4,481)	---
Purchase of subsidiary shares from the noncontrolling interests	(50)	(29)	(351)
Increase in refundable deposits	(100)	(26)	(3)
Pledge of restricted marketable securities	(1,014)	(1,952)	(17)
<b>Net cash provided by (used in) investing activities</b>	<u>5,463</u>	<u>(8,306)</u>	<u>(14,400)</u>

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

	Three Months Ended March 31, 2009	2008	Three Months Ended December 31, 2008
<b>Cash flows from financing activities:</b>			
Proceeds from issuance of new shares by subsidiaries	\$ 47	\$ 89	\$ 1,034
Payments to acquire ordinary shares for retirement	(5,072)	(5,364)	(3,195)
<b>Net cash used in financing activities</b>	<u>(5,025)</u>	<u>(5,275)</u>	<u>(2,161)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	409	444	(145)
<b>Net increase in cash and cash equivalents</b>	65,478	31,055	12,092
<b>Cash and cash equivalents at beginning of period</b>	135,200	94,780	123,108
<b>Cash and cash equivalents at end of period</b>	<u><b>\$ 200,678</b></u>	<u><b>\$ 125,835</b></u>	<u><b>\$ 135,200</b></u>
<b>Supplemental disclosures of cash flow information:</b>			
Cash paid during the period for income taxes	<u><b>\$ 26</b></u>	<u><b>\$ 31</b></u>	<u><b>\$ 517</b></u>



**Himax Technologies, Inc.**  
**Unaudited Supplemental Data – Reconciliation Schedule**  
**(Amounts in Thousands of U.S. Dollars)**

**Gross Margin, Operating Margin (Loss) and Net Margin (Loss) Excluding Share-based Compensation and Acquisition-Related Charges:**

	<b>Three Months Ended March 31,</b>		<b>Three Months Ended December 31,</b>
	<b>2009</b>	<b>2008</b>	<b>2008</b>
Revenues	\$ 125,656	\$ 231,588	\$ 124,278
Gross profit	26,215	58,639	26,092
Add: Share-based compensation – Cost of revenues	13	28	14
Gross profit excluding share-based compensation	26,228	58,667	26,106
Gross margin excluding share-based compensation	20.9%	25.3%	21.0%
Operating income (loss)	4,823	31,665	(21,280)
Add: Share-based compensation	2,342	2,374	1,925
Operating income (loss) excluding share-based compensation	7,165	34,039	(19,355)
Add: Acquisition-related charges –Intangible assets amortization	548	529	529
Operating income (loss) excluding share-based compensation and acquisition-related charges	7,713	34,568	(18,826)
Operating margin (loss) excluding share-based compensation and acquisition-related charges	6.1%	14.9%	(15.1%)
Net income (loss) attributable to Himax stockholders	4,369	34,137	(13,156)
Add: Share-based compensation, net of tax	2,241	2,374	1,872
Add: Acquisition-related charges, net of tax	386	529	367
Net income (loss) excluding share-based compensation and acquisition-related charges	6,996	37,040	(10,917)
Net margin (loss) excluding share-based compensation and acquisition-related charges	5.6%	16.0%	(8.8%)

\*Gross margin excluding share-based compensation equals gross profit excluding share-based compensation divided by revenues

\*Operating margin (loss) excluding share-based compensation and acquisition-related charges equals operating income excluding share-based compensation and acquisition-related charges divided by revenues

\*Net margin (loss) excluding share-based compensation and acquisition-related charges equals net income excluding share-based compensation and acquisition-related charges divided by revenues

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

	<b>Three Months Ended March 31, 2009</b>
Diluted GAAP EPS	\$0.02
Add: Share-based compensation per diluted share	\$0.01
Add: Acquisition-related charges per diluted share	\$---
Diluted non GAAP EPS excluding share-based compensation and acquisition-related charges	\$0.04
Numbers do not add up due to rounding	