



HIMAX REPORTS FOURTH QUARTER AND FULL YEAR 2008 FINANCIAL RESULTS

Highlights:

- Revenues, gross margin and EPS for the fourth quarter of 2008 were all within our previous guidance
- Expect revenues, gross margin and GAAP EPS for the first quarter of 2009 to remain at a similar level as the previous quarter
- Non-driver revenues grew 78% year-over-year in 2008 and accounted for 5.1% of 2008 total revenues
- Became Taiwan's second largest fabless IC design house in terms of full year 2008 revenues

Tainan, Taiwan, February 19, 2009 - Himax Technologies, Inc. ("Himax" or "Company") (NASDAQ: HIMX) today reported financial results for the quarter and full year ended December 31, 2008.

For the fourth quarter of 2008, Himax reported net revenues of \$124.3 million, representing a 53.5% decrease from \$267.1 million for the fourth quarter of 2007 and a 46.0% decrease from the \$230.1 million for the third quarter of 2008. Gross margin was 21.0% in the fourth quarter of 2008, down 370 basis points year-over-year and down 350 basis points sequentially. Operating income for the quarter was \$3.6 million, compared to \$42.4 million in the same period last year and \$15.0 million in the previous quarter.

Net income for the fourth quarter of 2008 was \$4.0 million or \$0.02 per diluted share, down from \$46.0 million or \$0.23 per diluted share in the fourth quarter of 2007, and down from \$17.7 million or \$0.09 per diluted share in the third quarter of 2008.

Excluding share-based compensation and acquisition-related charges, non-GAAP operating income for the fourth quarter of 2008 was \$6.5 million, down from \$44.4 million in the same period last year, and down from \$30.6 million in the previous quarter. Non-GAAP net income for the fourth quarter of 2008 was \$6.7 million or \$0.03 per diluted share, down from \$48.0 million or \$0.24 per diluted share in the fourth quarter of 2007, and down from \$32.5 million from \$0.17 per diluted share in the third quarter of 2008.

For the year ended December 31, 2008, Himax reported total revenues of \$832.8 million, representing a 9.3% decrease from 2007. Display drivers for small- and medium-sized applications accounted for 16.7% of 2008 total revenues compared to 15.5% of total 2007 revenues. Non-driver businesses achieved an annual growth of 78.0% and accounted for 5.1% of total 2008 revenues compared to 2.6% of total revenues in 2007. Gross margin for the full year 2008 was 24.5%, up from 22.0% in 2007 and GAAP EPS was \$0.49, compared to \$0.57 in 2007.

Reconciliation of gross margin, operating margin, net income 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 income 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, "In spite of the dramatically deteriorated market demand, 2008 was a notable year for Himax. In seven years since the company's inception, we became Taiwan's second largest fabless IC design house in terms of revenue."

Mr. Wu continued, "Recently, we launched our LCOS pico-projector solution with USB interface, a mainstream connecting interface used among a number of electronic devices, specifically in laptop and netbook computers. There are a fast increasing number of customers designing pico projector products

with our LCOS solutions, a vast majority of which are expected to launch in the upcoming quarters. Furthermore, we have been working with some of the world's leading baseband solution providers and successfully have our LCOS microdisplays and their baseband platforms connected to each other. Our goal is to provide an easy engineering reference for our customers' product design. We expect further co-developments with baseband chip vendors would accelerate the adoption of our LCOS solution in mobile devices. In order to meet customers' demand for higher quality, lower cost, and faster time-to-market, we established an in-house color filter facility and moved in the equipments during the fourth quarter. An in-house color filter facility enhances the competitiveness of our LCOS products and creates value for our customers."

Mr. Wu added, "As recently announced, we shipped display drivers with Content Adaptive Brightness Control (CABC), a power-saving technology, to the world's top-tier handset brands and further integrated CABC technology into timing controllers for laptop and netbook applications. CABC is a sought-after feature for power-conscious mobile device makers and end-users. We expect this technology to be broadly adopted in various mobile applications in the quarters to come."

Mr. Wu added, "We have recently seen an increase in rush orders which represent challenges for our in-time delivery. We are pleased to report that so far, we have been able to fulfill such rush orders, allowing our customers to capture the sales opportunities. We are pleased that we have, once again, proven to be a valuable vendor for our customers thanks to our long-standing partnership relationships and our key strategic suppliers."

Guidance

The Company's long-term strategy of being the world's leading semiconductor solution provider for flat panel displays remains intact. Display drivers will continue to be the major business in 2009 and the goal is to remain the global market share leader, although the overall market prospects remain uncertain. Meanwhile, 2009 will be a year when Himax will substantially expand the non-driver businesses. The Company is confident that the non-driver businesses will grow in both dollar terms and as a percentage of total sales in 2009.

For the first quarter of 2009, Himax expects revenues, gross margin and GAAP EPS to remain at a similar level as the previous quarter.

Investor Conference Call / Webcast Details

The Company's management will review detailed fourth quarter 2008 results on Wednesday, February 18, 2009 at 6:00 PM EST (7:00 AM, Thursday, February 19, Taiwan time). The conference dial-in numbers are +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 309790.

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, power management ICs, LCOS microdisplays 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:

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, but not limited to, 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 those risks identified in the section entitled "Risk Factors" in its Form 20-F for the year ended December 31, 2007 filed with SEC on June 20, 2008, 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)
(Amounts in Thousands of U.S. Dollars, Except Per Share Data)

	Three Months Ended December 31,		Three Months Ended September 30,
	2008	2007	2008
Revenues			
Revenues from third parties, net	\$ 46,977	\$ 101,195	\$ 95,468
Revenues from related parties, net	77,301	165,905	134,598
	<u>124,278</u>	<u>267,100</u>	<u>230,066</u>
Costs and expenses:			
Cost of revenues	98,186	201,255	173,761
Research and development	16,298	17,607	30,551
General and administrative	3,961	3,790	6,427
Sales and marketing	2,277	2,080	4,341
Total costs and expenses	<u>120,722</u>	<u>224,732</u>	<u>215,080</u>
Operating income	<u>3,556</u>	<u>42,368</u>	<u>14,986</u>
Non operating income (loss):			
Interest income	900	1,108	714
Foreign exchange gains (losses), net	(605)	164	(1,089)
Other income, net	186	209	342
	<u>481</u>	<u>1,481</u>	<u>(33)</u>
Earnings before income taxes and minority interest	4,037	43,849	14,953
Income tax expense (benefit)	700	(1,860)	(1,697)
Income before minority interest	3,337	45,709	16,650
Minority interest, net of tax	649	253	1,036
Net income	<u>\$ 3,986</u>	<u>\$ 45,962</u>	<u>\$ 17,686</u>
Basic earnings per ordinary share and ADS	<u>\$ 0.02</u>	<u>\$ 0.23</u>	<u>\$ 0.09</u>
Diluted earnings per ordinary share and ADS	<u>\$ 0.02</u>	<u>\$ 0.23</u>	<u>\$ 0.09</u>
Basic Weighted Average Outstanding Shares	192,305	196,327	191,306
Diluted Weighted Average Outstanding Shares	192,305	197,264	191,629

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 December 31,		Three Months Ended September 30, 2008
	2008	2007	
Share-based compensation			
Cost of revenues	\$ 14	\$ 17	\$ 365
Research and development	1,850	1,210	10,558
General and administrative	260	162	2,141
Sales and marketing	263	170	1,998
Income tax benefit	(53)	---	(634)
Total	\$ 2,334	\$ 1,559	\$ 14,428

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

Research and development	\$ 239	\$ 210	\$ 239
Sales and marketing	290	251	290
Income tax benefit	(162)	---	(162)
Total	\$ 367	\$ 461	\$ 367

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

	Twelve Months Ended	
	December 31,	
	2008	2007
Revenues		
Revenues from third parties, net	\$ 312,336	\$ 371,267
Revenues from related parties, net	520,463	546,944
	<u>832,799</u>	<u>918,211</u>
Costs and expenses:		
Cost of revenues	628,693	716,163
Research and development	87,927	73,906
General and administrative	19,363	14,903
Sales and marketing	11,798	9,334
Total costs and expenses	<u>747,781</u>	<u>814,306</u>
Operating income	<u>85,018</u>	<u>103,905</u>
Non operating income (loss):		
Interest income	3,315	5,433
Foreign exchange losses, net	(846)	(319)
Other income, net	1,382	576
	<u>3,851</u>	<u>5,690</u>
Earnings before income taxes and minority interest	<u>88,869</u>	<u>109,595</u>
Income tax benefit	(997)	(1,860)
Income before minority interest	<u>89,866</u>	<u>111,455</u>
Minority interest, net of tax	3,657	1,141
Net income	<u>\$ 93,523</u>	<u>\$ 112,596</u>
Basic earnings per ordinary share and ADS	<u>\$ 0.49</u>	<u>\$ 0.57</u>
Diluted earnings per ordinary share and ADS	<u>\$ 0.49</u>	<u>\$ 0.57</u>
Basic Weighted Average Outstanding Shares	191,615	196,862
Diluted Weighted Average Outstanding Shares	191,843	197,522

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:

	Twelve Months Ended December 31,	
	2008	2007
Share-based compensation		
Cost of revenues	\$ 435	\$ 422
Research and development	16,215	15,393
General and administrative	2,866	2,182
Sales and marketing	2,746	2,324
Income tax benefit	(687)	(622)
Total	\$ 21,575	\$ 19,699

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

Research and development	\$ 957	\$ 2,483
Sales and marketing	1,158	1,061
Income tax benefit	(1,244)	---
Total	\$ 871	\$ 3,544

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

	<u>December 31, 2008</u>	<u>September 30, 2008</u>	<u>December 31, 2007</u>
Assets			
Current assets:			
Cash and cash equivalents	\$ 135,200	\$ 123,139	\$ 94,780
Marketable securities available-for-sale	13,870	8,973	15,208
Restricted marketable securities	2,160	2,113	97
Accounts receivable, less allowance for doubtful accounts, sales returns and discounts	76,358	105,403	88,682
Accounts receivable from related parties, less allowance for doubtful accounts, sales returns and discounts	104,445	145,612	194,902
Inventories	96,921	115,411	116,550
Deferred income taxes	15,507	12,776	12,684
Prepaid expenses and other current assets	11,707	13,814	15,369
Total current assets	\$ 456,168	\$ 527,241	\$ 538,272
Property, plant and equipment, net	55,111	47,808	46,180
Deferred income taxes	23,354	20,893	20,714
Goodwill	26,846	26,878	26,878
Intangible assets, net	10,965	11,114	12,721
Investments in non-marketable securities	11,619	11,619	7,138
Refundable deposits and prepaid pension costs	1,168	876	859
	<u>129,063</u>	<u>119,188</u>	<u>114,490</u>
Total assets	\$ 585,231	\$ 646,429	\$ 652,762
Liabilities, Minority Interest and Stockholders' Equity			
Current liabilities:			
Accounts payable	\$ 53,720	\$ 120,846	\$ 147,221
Income tax payable	17,900	12,511	19,147
Other accrued expenses and other current liabilities	22,455	25,073	19,231
Total current liabilities	\$ 94,075	\$ 158,430	\$ 185,599
Accrued pension liabilities	\$ 214	\$ 220	\$ 218
Deferred income taxes	\$ 3,352	\$ 3,488	\$ 4,547
Total liabilities	\$ 97,641	\$ 162,138	\$ 190,364
Minority interest	\$ 6,835	\$ 6,287	\$ 11,089
Stockholders' equity:			
Ordinary shares, US\$0.0001 par value, 500,000,000 shares authorized; 190,119,594, 192,488,685, and 191,979,691 shares issued and outstanding at December 31, 2008, September 30, 2008, and December 31, 2007, respectively	19	19	19
Additional paid-in capital	238,961	240,006	235,894
Accumulated other comprehensive loss	(334)	(144)	(7)
Unappropriated retained earnings	242,109	238,123	215,403
Total stockholders' equity	\$ 480,755	\$ 478,004	\$ 451,309
Total liabilities, minority interest and stockholders' equity	\$ 585,231	\$ 646,429	\$ 652,762

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

	Three Months Ended December 31, 2008	2007	Three Months Ended September 30, 2008
Cash flows from operating activities:			
Net income	\$ 3,986	\$ 45,962	\$ 17,686
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	3,210	2,892	3,102
Share-based compensation expenses	2,388	1,559	2,347
Minority interest, net of tax	(649)	(253)	(1,036)
Loss on disposal of property, plant and equipment	6	---	11
Gain on disposal of subsidiary shares and investments in non-marketable securities, net	(27)	(160)	(217)
Gain on disposal of marketable securities, net	(119)	(28)	(82)
Deferred income taxes	(5,279)	(13,891)	1,834
Inventories write downs	3,359	3,754	3,626
Changes in operating assets and liabilities:			
Accounts receivable	29,038	12,698	240
Accounts receivable from related parties	41,229	(16,708)	27,221
Inventories	15,202	5,686	11,875
Prepaid expenses and other current assets	3,677	(1,912)	(1,163)
Accounts payable	(67,463)	(12,988)	(31,236)
Income tax payable	5,400	11,814	(2,434)
Other accrued expenses and other current liabilities	(4,925)	2,825	2,414
Net cash provided by operating activities	<u>29,033</u>	<u>41,250</u>	<u>34,188</u>
Cash flows from investing activities:			
Purchase of property, plant and equipment	(9,364)	(3,138)	(2,825)
Proceeds from disposal of property, plant and equipment	3	3	1
Purchase of available-for-sale marketable securities	(21,487)	(11,028)	(18,580)
Disposal of available-for-sale marketable securities	16,763	12,002	19,944
Cash paid in acquisition	---	(36)	---
Proceeds from disposal of subsidiary shares by Himax Technologies Limited	56	253	472
Purchase of investments in non-marketable securities	---	(4,531)	---
Purchase of subsidiary shares from minority interest	(351)	(120)	(88)
Refund from (increase in) refundable deposits	(3)	(20)	24
Release (pledge) of restricted marketable securities	(49)	100	(47)
Net cash used in investing activities	<u>(14,432)</u>	<u>(6,515)</u>	<u>(1,099)</u>

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

	Three Months Ended December 31, 2008	2007	Three Months Ended September 30, 2008
Cash flows from financing activities:			
Distribution of cash dividends	\$ ---	\$ (39,710)	\$ ---
Proceeds from issuance of new shares by subsidiaries	824	8,307	---
Payments to acquire of ordinary shares for retirement	(3,195)	(27,879)	(90)
Net cash used in financing activities	<u>(2,371)</u>	<u>(59,282)</u>	<u>(90)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(169)</u>	<u>81</u>	<u>(264)</u>
Net increase (decrease) in cash and cash equivalents	12,061	(24,466)	32,735
Cash and cash equivalents at beginning of period	123,139	119,246	90,404
Cash and cash equivalents at end of period	<u>\$ 135,200</u>	<u>\$ 94,780</u>	<u>\$ 123,139</u>
Supplemental disclosures of cash flow information:			
Cash paid during the period for income taxes	<u>\$ 517</u>	<u>\$ 32</u>	<u>\$ 96</u>

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

	Twelve Months Ended December 31,	
	2008	2007
Cash flows from operating activities:		
Net income	\$ 93,523	\$ 112,596
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	12,318	10,260
Write-off of in-process research and development	---	1,600
Share-based compensation expenses	9,548	5,895
Minority interest, net of tax	(3,657)	(1,141)
Loss on disposal of property and equipment	89	223
Gain on disposal of subsidiary shares and investment in non-marketable securities, net	(341)	(418)
Gain on disposal of marketable securities, net	(913)	(112)
Deferred income taxes	(6,601)	(14,618)
Inventories write downs	18,028	14,824
Changes in operating assets and liabilities:		
Accounts receivable	12,318	25,971
Accounts receivable from related parties	89,882	(78,044)
Inventories	1,371	(29,602)
Prepaid expenses and other current assets	8,012	(4,477)
Accounts payable	(93,301)	26,232
Income tax payable	(1,236)	7,481
Other accrued expenses and other current liabilities	(2,306)	492
Net cash provided by operating activities	136,734	77,162
Cash flows from investing activities:		
Purchase of property, plant and equipment	(17,490)	(18,998)
Proceeds from disposal of property, plant and equipment	32	9
Purchase of available-for-sales marketable securities	(68,892)	(52,476)
Disposal of available-for-sale marketable securities	71,172	46,303
Cash acquired in acquisition, net of cash paid	---	6,161
Proceeds from disposal of subsidiary shares and investment in non-marketable securities by Himax Technologies Limited	719	562
Purchase of investments in non-marketable securities	(4,481)	(6,321)
Purchase of subsidiary shares from minority interest	(673)	(295)
Refund from (increase in) refundable deposits	(86)	25
Release (pledge) of restricted marketable securities	(2,065)	11
Net cash used in investing activities	(21,764)	(25,019)

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

	Twelve Months Ended December 31,	
	2008	2007
Cash flows from financing activities:		
Distribution of cash dividends	\$ (66,817)	\$ (39,710)
Proceeds from issuance of new shares by subsidiaries	913	11,814
Payments to acquire ordinary shares for retirement	<u>(8,656)</u>	<u>(39,345)</u>
Net cash used in financing activities	<u>(74,560)</u>	<u>(67,241)</u>
Effect of exchange rate change on cash and cash equivalents	<u>10</u>	<u>125</u>
Net increase (decrease) in cash and cash equivalents	40,420	(14,973)
Cash and cash equivalents at beginning of year	<u>94,780</u>	<u>109,753</u>
Cash and cash equivalents at end of year	<u>\$ 135,200</u>	<u>\$ 94,780</u>
 Supplemental disclosures of cash flow information:		
Cash paid during the year for income taxes	<u>\$ 7,175</u>	<u>\$ 4,779</u>
 Supplemental disclosures of non-cash investing and financing activities:		
Fair value of ordinary shares issued and to be issued by Himax Technologies, Inc. in the acquisition of Wisepal Technologies, Inc.	<u>\$ ---</u>	<u>\$ 46,719</u>

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

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

	Three Months Ended December 31,		Three Months Ended September 30,
	2008	2007	2008
Revenues	\$ 124,278	\$ 267,100	\$ 230,066
Gross profit	26,092	65,845	56,305
Add: Share-based compensation – Cost of revenues	14	17	365
Gross profit excluding share-based compensation	26,106	65,862	56,670
Gross margin excluding share-based compensation	21.0%	24.7%	24.6%
Operating income	3,556	42,368	14,986
Add: Share-based compensation	2,387	1,559	15,062
Operating income excluding share-based compensation	5,943	43,927	30,048
Add: Acquisition-related charges –Intangible assets amortization	529	461	529
Operating income excluding share-based compensation and acquisition-related charges	6,472	44,388	30,577
Operating margin excluding share-based compensation and acquisition-related charges	5.2%	16.6%	13.3%
Net income	3,986	45,962	17,686
Add: Share-based compensation, net of tax	2,334	1,559	14,428
Add: Acquisition-related charges, net of tax	367	461	367
Net income excluding share-based compensation and acquisition-related charges	6,687	47,982	32,481
Net margin excluding share-based compensation and acquisition-related charges	5.4%	18.0%	14.1%

*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 excluding share-based compensation and acquisition-related charges equals net income 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 and Operating Margin Excluding Share-based Compensation and Acquisition-Related Charges:

	Twelve Months Ended December 31,	
	2008	2007
Revenues	\$ 832,799	\$ 918,211
Gross profit	204,106	202,048
Add: Share-based compensation – Cost of revenues	435	422
Gross profit excluding share-based compensation	204,541	202,470
Gross margin excluding share-based compensation	24.6%	22.1%
Operating income	85,018	103,905
Add: Share-based compensation	22,262	20,321
Operating income excluding share-based compensation	107,280	124,226
Add: Acquisition-related charges –Intangible assets amortization	2,115	1,944
– In-process R&D write off	---	1,600
Operating income excluding share-based compensation and acquisition-related charges	109,395	127,770
Operating margin excluding share-based compensation and acquisition-related charges	13.1%	13.9%
Net income	93,523	112,596
Add: Share-based compensation, net of tax	21,575	19,699
Add: Acquisition-related charges, net of tax	871	3,544
Net income excluding share-based compensation and acquisition-related charges	115,969	135,839
Net margin excluding share-based compensation and acquisition-related charges	13.9%	14.8%

*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

*Net margin 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:

	Three Months Ended December 31, 2008	Twelve Months Ended December 31, 2008
Diluted GAAP EPS	\$0.02	\$0.49
Add: Share-based compensation per diluted share	\$0.01	\$0.11
Add: Acquisition-related charges per diluted share	\$---	\$---
Diluted non GAAP EPS excluding share-based compensation and acquisition-related charges	\$0.03	\$0.60
Numbers do not add up due to rounding		