

奇景光電公佈自結 2014 年第三季合併財務報表 及第四季展望

2014 年第三季營收、毛利率及每 ADS 盈餘 均符合法說預估 預估第四季營收持平或小漲 毛利率小跌在 1 個百分點內

- 2014 年第三季，營收淨額為 2 億 2,230 萬美元，較去年同期增加 15.3%，較上一季增加 13.2%，創 2008 年第四季以來新高；第三季毛利率為 24.5%，較上一季 24.2% 增加 0.3 個百分點，皆符合法說會預估
- 2014 年第三季，大尺寸驅動 IC 產品營收淨額為 6,120 萬美元，較去年同期增加 6.1%，較上一季增加 20.5%，是自 2013 年第一季以來，首季大尺寸較去年同期營收恢復成長
- 2014 年第三季，中小尺寸驅動 IC 產品營收淨額為 1 億 1,330 萬美元，較去年同期增加 12.8%，較上一季成長 5.9%，中小尺寸營收占營收比例 51%
- 2014 年第三季，非驅動 IC 產品營收淨額為 4,780 萬美元，較去年同期大幅成長 37.9%，較上一季增加 23.8%，占營收比例 21.5%，絕對金額與營收比重皆創歷史新高
- 2014 年第三季稅後淨利為 1,910 萬美元，較去年同期 1,930 萬美元減少 0.9 個百分點；每 ADS 盈餘為 11.1 美分(約新台幣 3.32 元)，較去年同期 11.3 美分(約新台幣 3.38 元)減少 0.2 美分
- 扣除固定於第三季對員工分配的股票酬勞及購併相關費用後，2014 年第三季稅後淨利為 1,110 萬美元，較去年同期 1,230 萬美元減少 9.2 個百分點。第三季每 ADS 盈餘為 6.5 美分(約新台幣 1.94 元)，較去年同期 7.2 美分(約新台幣 2.15 元)減少 0.7 美分
- 預估 2014 年第四季，營收較第三季持平或小漲，毛利率小跌在 1 個百分點內，每 ADS 盈餘為 7.5 至 9.2 美分(約新台幣 2.24 至 2.75 元)之間

[台南，2014 年 11 月 13 日] 奇景(納斯達克代號: HIMX) 今日公佈自結 2014 年第三季合併財務報表，及第四季的展望。奇景 2014 年第三季營收淨額、毛利率及每 ADS 盈餘均符合法說會預估。

奇景 2014 年第三季營收淨額為 2 億 2,230 萬美元(約新台幣 66 億 5,100 萬元*)，較去年同期 1 億 9,280 萬美元(約新台幣 57 億 6,200 萬元**)增加 15.3%，較上一季 1 億 9,640 萬美元(約新台幣 59 億 1,800 萬元**)增加 13.2%，第三季營收淨額創 2008 年第四季以來新高。第三季毛利率為 24.5%，較去年同期 25.3% 減少 0.8 個百分點，較上一季 24.2% 增加 0.3 個百分點。

2014 年第三季稅後淨利為 1,910 萬美元 (約新台幣 5 億 7,300 萬元*)，去年同期為 1,930 萬美元 (約新台幣 5 億 7,800 萬元**)，上一季為 2,450 萬美元 (約新台幣 7 億 3,800 萬元**)。第三季每 ADS 盈餘為 11.1 美分(約新台幣 3.32 元*)，去年同期為 11.3 美分(約新台幣 3.38 元**)，上一季為 14.2 美分(約新台幣 4.28 元**)。第三季稅後淨利及每 ADS 盈餘皆較去年同期與上一季減少，而較上一季減少的主要原因是，奇景在第二季出售策略性投資持股，總處分利益約 1,240 萬美元，在第二季認列 1,070 萬美元。如果不計入第二季認列的業外投資收益，2014 年第三季稅後淨利較上一季成長 20.3%。

扣除奇景固定於第三季對員工分配的股票酬勞及購併相關費用後，2014 年第三季稅後淨利為 1,110 萬美元 (約新台幣 3 億 3,300 萬元*)，去年同期為 1,230 萬美元 (約新台幣 3 億 6,700 萬元**)，上一季為 2,410 萬美元 (約新台幣 7 億 2,700 萬元**)。第三季每 ADS 盈餘為 6.5 美分(約新台幣 1.94 元*)，去年同期為 7.2 美分(約新台幣 2.15 元**)，上一季為 14.0 美分(約新台幣 4.22 元**)。

奇景表示，2014 年第三季營收較上一季大幅成長 13.2%，如上季法說會預估，主因是第二季韓國終端品牌客戶調整庫存、第三季開始恢復下單，以及 4K2K 電視與 CMOS 影像感測器產品需求增加。第三季毛利率較上一季微幅增加，是因產品組合改善，高解析度 CMOS 影像感測器、高階智慧型手機驅動 IC 產品營收及開發收入(NRE)增加所致。

第四季一向是半導體傳統淡季，奇景同業都保守看待第四季營運前景。儘管如此，與去年同期相較，奇景 2014 年下半年營運狀況仍然比上半年提升，預期下半年的這股成長動能將延續至 2015 年。即使受到晶圓代工產能短缺

影響，2014 年第四季營收及毛利率成長受到影響，目前 8 吋晶圓廠很難滿足交貨期較短的需求，奇景預見此產能短缺情況，在前幾季就開始積極進行增加新晶圓廠合作夥伴計畫，以爭取更多產能。雖然這是漫長且充滿挑戰過程，但奇景相信透過上述戰略規劃，一旦進入到 2015 年，將能提供更穩定及多樣化的供應鏈。

2014 年第三季大尺寸驅動 IC 產品營收淨額為 6,120 萬美元(約新台幣 18 億 3,100 萬元*)，較去年同期增加 6.1%，較上一季增加 20.5%，占第三季營收比例為 27.5%，此比例去年同期為 29.9%，上一季為 25.9%。這同時是自 2013 年第一季以來，首季大尺寸較去年同期營收恢復成長。第三季大尺寸業務重新出現成長趨勢，主要是新客戶與現有客戶出貨量都增加的結果。其中 4K2K 電視是主要成長項目。奇景大尺寸成長動能，主要來自台灣及韓國新開發客戶需求增加，加上所有中國面板客戶電視面板需求成長，持續擴充產能，其中最主要是 4K2K 電視日益普及。正如過去幾季奇景法說會預期，4K2K 電視的滲透率及接受度在今年全面提升，惟在第四季因為有些客戶季節性調整庫存，導致成長暫時性減緩。

儘管大尺寸面板有庫存調整現象，但仍是一個成熟且具競爭性的市場，奇景為滿足 4K2K 電視需求，研發時序控制 IC (Timing Controller, TCON) 搭配驅動 IC 的全方位解決方案。例如在 TCON 輸出至驅動 IC 的介面，使用點對點傳送技術，配合大尺寸面板朝更高解析度高速傳輸介面發展的方向。奇景客戶亦將此高速傳輸介面制定為標準化介面。奇景提供可靠、靈活與及時的技術支援服務，持續得到客戶信賴，與客戶建立合作夥伴關係，強化奇景的大尺寸驅動 IC 產品業務。由於 TCON 搭配驅動 IC 需要整合專業技術，進入門檻極高，奇景相信這將是未來大尺寸驅動 IC 產品發展的趨勢，奇景也是目前業界極少數有能力提供此領域全方位解決方案的技術領導者。

2014 年第三季中小尺寸驅動 IC 產品營收淨額為 1 億 1,330 萬美元(約新台幣 33 億 9,000 萬元*)，較去年同期增加 12.8%，較上一季成長 5.9%，占營收比例 51.0%，此比例上一季為 54.5%，去年同期為 52.1%。其中智慧型手機營收自第二季開始強勁反彈，主因是奇景的韓國終端品牌客戶，從大幅減少訂單導致庫存異常，之後恢復下單調整庫存至正常水位所致。近年智慧型手機往高解析度趨勢發展，奇景在技術上具有領先優勢，帶動營收成長，然而，一如預期，由於平板電腦在中國白牌市場需求疲弱，減弱整體中小尺寸驅動 IC 成長力道。

奇景的中小尺寸驅動 IC 產品，主要包括智慧型手機、平板電腦及車用顯示器。第四季智慧型手機維持穩定，主要是韓國終端品牌客戶顯著改善庫存、恢復下單及大陸市場的需求符合預期。不過，短期內，由於中國政府改變對電信業者補貼採購手機政策，中國電信運營商縮減對用戶的智慧型手機購機補貼，導致智慧型手機的需求減緩。奇景亦預見從 2015 年開始，中國市場的零售、電子商務及直銷等通路將會逐漸取代運營商，使手機業者出口到第三世界國家的數量增加，中國智慧型手機市場將恢復成長。

至於中小尺寸驅動 IC 產品中的平板電腦與車用顯示器，奇景預期 2014 年第四季平板電腦季營收將減少，最主要是由於第二季開始，中國品牌及白牌市場需求減少，此因中國出口到第三世界國家的數量趨緩，以及政府祭出信用緊縮政策，迫使弱小業者退出市場。平板電腦在第四季需求減緩的另一個原因，可能是消費者行為改變，某些消費者轉向購買螢幕尺寸接近平板電腦的大螢幕智慧型手機。另外，第四季的車用顯示器驅動 IC 則持平。

至於奇景 2014 年第三季非驅動 IC 產品中，以 CMOS 影像感測器、觸控 IC、時序控制 IC (TCON)、電源管理 IC 等產品表現最好。總營收淨額為 4,780 萬美元(約新台幣 14 億 3,000 萬元*)，較去年同期大幅成長 37.9%，較上一季增加 23.8%，占總營收比例 21.5%，絕對金額與營收比重皆創歷史新高。去年同期此比例為 18.0%，上一季為 19.6%。進入第四季，CMOS 影像感測器及觸控 IC 營收將顯著成長，然而部分產品仍可能受到季節性、地區性及產能限制等影響。總體而言，非驅動 IC 產品 2014 全年將可較去年成長 35%，此成長動能亦將延續至 2015 年。奇景擁有技術領先的非驅動 IC 產品，是公司未來最佳成長動能，也是奇景與其他競爭者的最大差異之一。

在 2014 年第三季，奇景的 CMOS 影像感測器營收顯著成長，主要是 200 萬及 500 萬畫素產品，持續出貨給國際品牌及中國白牌客戶，導致營收大幅增加。正如上季法說會預期，奇景高階 800 萬畫素 CMOS 影像感測器新產品，於 2014 年第三季開始小量出貨。不過，由於奇景的 CMOS 影像感測器推出新世代產品，讓客戶導入取代成本較高的舊世代產品，新舊產品的交替時間有些延遲，對最近幾季整體毛利率造成負面影響。如大家所知，800 萬畫素鏡頭已成為智慧型手機設計主流，奇景也正在開始加速銷售 800 萬畫素 CMOS 影像感測器。在

第四季，奇景推出第一個 1,300 萬畫素 CMOS 影像感測器新產品。在 2015 年，奇景預期 800 萬畫素 CMOS 影像感測器仍繼續是主流產品，而 1,300 萬畫素影像感測器將會是高階智慧型手機的明日之星。在智慧型手機鏡頭能提供完整產品線的參與者極少，奇景在此領域已鞏固技術領先地位。

除了消費性應用的 CMOS 影像感測器外，奇景也正在開發非消費性應用的產品，通常是獲利高及相對競爭較小的市場。奇景的 CMOS 影像感測器已經具備高度競爭力的產品線，經過多年耕耘，汽車及安防監控，這兩個領域都已成為規模龐大、獲利高且成長快速的市場。短期內，奇景將會開始小批量出貨給韓國汽車終端客戶。整體而言，奇景預期，CMOS 影像感測器產品線在 2014 年營收將較前一年成長一倍以上。奇景在提升汽車及安防監控影像感測器出貨量的同時，將繼續協助客戶導入 800 萬及 1,300 萬畫素產品，並取代成本較高的舊世代 200 萬及 500 萬畫素產品，以期改善毛利率。奇景相信，未來影像感測器將顯著提升毛利率。

奇景的觸控 IC 營收在 2014 年第三季顯著成長，較上一季增加 20%，前三季營收較去年同期成長超過一倍。奇景預期，觸控 IC 產品成長動能將延續至 2014 年第四季，主因是奇景在國際及中國市場都成功導入許多新案。除了傳統觸控面板市場市占率快速成長外，奇景同時持續與 TFT-LCD 領導廠商緊密合作，共同研發新一代內嵌式 (in-cell) 及外掛式 (on cell) 觸控面板新技術，將有助奇景未來在觸控 IC 領域取得領先優勢。奇景已與多家內嵌式觸控面板客戶緊密合作，預計短期內，很快就會在市場上看到此項新技術，奇景將成為觸控面板客戶不可或缺的合作夥伴。

有關 LCOS 微投影業務，奇景持續與現有及多家令人興奮的世界頂尖品牌客戶，進行新產品開發，並提供客製化新設計，收取開發收入 (NRE)。如上次法說會提及，奇景推出最新正面照光 LCOS 專利新技術，這項集成式的 LCOS 光學模組，簡稱為「正面照光 LCOS」(“Front-Lit™ LCOS”)，是目前頭戴式顯示器產業最重大的技術突破。奇景全新的正面照光 LCOS 模組，將傳統典型光學引擎內的兩個主要功能，成功整合到 LCOS 微顯示器模組內，優勢是可縮小光學引擎的尺寸，並大為改善其功耗。

針對外界關心、奇景在今年 10 月 21 日宣布，Google (Google Inc.) 將不行使加碼認購奇景子公司立景光電 (Himax Display Inc.) 特別股選擇權一事。奇景光電同時經 Google 授權，代為對此事發表正式評論如下：「Google 將持續與奇景光電緊密合作，並在未來的技術及產品上，視奇景光電為策略合作夥伴。Google 並將繼續是立景光電的董事會觀察員。」(“Google continues to work closely with Himax as a strategic partner on future technologies and products and will remain a board observer.”) 從 Google 的明確陳述，說明雙方緊密的合作夥伴關係不會因為 Google 不加碼認股立景光電而有任何改變。奇景與 Google 不斷的合作研發，證明奇景 LCOS 技術的優越性，是頭戴式顯示器最佳解決方案，例如 Google 眼鏡 (Google Glass)。

另外，奇景持續與多家一線頂級客戶，共同開發領先業界的晶圓級鏡頭 (wafer level optics, 簡稱 WLO) 技術。各種客製化感測器主要被應用在穿戴式裝置的三個未來產品領域，分別是陣列相機鏡頭 (array camera)、各式客製應用感測器 (CMOS sensor) 及微型顯示器導光板 (microdisplay light guide)。這些相關技術研發，奇景目前已動員跨部門團隊，包括 CMOS 影像感測器、LCOS 微投影及影像處理技術各部門都會參與。奇景也是目前業界唯一有能力提供客戶針對以上產品一次購足、高效率全面性服務的技術領導者。為了因應 LCOS 及 WLO 產品的未來需求，奇景正在進行擴充產能新計畫，並將隨時對外說明計畫進度。

奇景一向高度重視技術研發，為了掌握未來市場先機，將會增加第四季研發費用支出。在第四季，由於許多驅動 IC 及非驅動 IC 新高階產品都將支出光罩費用 (tape out)，因此奇景預期第四季將是全年營業費用最高的一季。儘管此研發費用上升短期內將衝擊獲利，奇景相信，2015 年營收及獲利仍將持續成長。

整體考量，影響奇景 2014 年第四季獲利的因素，除了費用增加，還有就是來自新台幣貶值產生的稅率影響數。奇景大部分的現金、進銷貨交易及會計帳務皆是使用美元計價，匯率變化對奇景的經營與獲利影響非常小。但匯率對奇景唯一的主要影響是有效稅率，這是因為奇景在台灣支付大部分的所得稅，台灣稅務機關規定所得稅係以一般公認會計原則下的新台幣為計算基礎。一般情況下，當新台幣對美元貶值，以美元計價的營收數字換算成新台幣就會增加，奇景的有效稅率將會因此提高，反之則稅率下降，而今年第四季就出現新台幣對美元貶值的情況，特別是從九月中旬開始。對於匯率變動，奇景選擇維持營業活動自然避險，因為奇景相信隨著時間遞延，匯率的總和影響將會很小。

奇景第四季每股ADS盈餘預估已經考慮150萬美元、每ADS盈餘約0.87美分的所得稅調整數，這是反應截至目前為止，新台幣兌換美元貶值、所得稅率提高的影響。雖然奇景會在必要時，適時反應新台幣對美元匯率波動所產生的所得稅調整，但一貫做法，會在第四季底進行最後的調整。最終的結果，將取決於年底真正的匯率。

綜合上述各項因素影響，奇景預估，2014年第四季營收較第三季持平或小漲，毛利率小跌在1個百分點內，每ADS盈餘為7.5至9.2美分(約新台幣2.24*至2.75*元)之間。

截至2014年9月30日止，奇景期末流通在外股數為約當1億7,120萬單位ADS。與2014年第二季底變動不大。計算稀釋每股盈餘的股數基礎為約當1億7,180萬單位ADS。

本季依美國會計準則，(不含股票酬勞費用及購併相關費用)毛利率、營業利益率及淨利率之調節表，以及每ADS盈餘之調節表請參考本新聞稿後之附件。

線上法說會細節

網路 www.himax.com.tw 及電話收聽重播，將自線上法說會結束後兩小時開始，至台灣時間2014年11月21日星期五下午1點(美國東部標準時間11月20日午夜12點)結束，重播電話專線為+1-877-870-5176(美國本土)或+1-858-384-5517(美國以外)。重播確認ID號碼為13593468。至台灣時間2015年11月20日為止，線上法說會的網路線上收聽連結，可透過ViaVid網路廣播連結<http://public.viavid.com/index.php?id=111456>，或是<http://www.viavid.net>收聽。

關於奇景光電：

本公司係全球顯示器驅動IC與時序控制IC領先廠商，產品應用於電視、筆記型電腦、桌上型電腦、手機、平板電腦、數位相機、汽車導航以及其他多種消費性電子產品。奇景光電的其他產品並包含觸控面板控制IC、手持式與頭戴式矽控液晶光閥(LCOS)微型投影解決方案、LED驅動IC、電源管理IC、監視器及投影機控制晶片、客製化影像處理晶片解決方案及提供矽智權的授權等。奇景光電亦提供數位相機解決方案，包括CMOS影像感測IC及晶圓級鏡頭，這些產品已被廣泛地應用在手機、平板電腦、筆記型電腦、電視、網路攝影機、汽車、保全及醫療器材等。奇景光電設立於2001年，總部位於台灣台南，目前員工人數約1,700人，分布於台南、新竹、台北、中國、韓國、日本與美國。至2014年9月30日為止，奇景光電在全球已取得2,434項專利，尚有875項專利正在申請中，產品應用於全球各種消費性電子品牌產品，技術領先並維持影像顯示處理技術半導體解決方案領導廠商的地位。

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風險說明：

本新聞稿的部分展望未來的陳述，特別是有關於財務、產業預測，可能會導致實際結果與本新聞稿的描述不同，可能造成差異的因素包括但不限於整體市場與經濟的狀況、半導體產業的狀況、市場對本公司驅動IC產品及非驅動IC產品之接受度、產品競爭力、市場競爭、終端市場需求、對少數主要客戶的依賴度、持續創新的技術、新面板技術發展、發展與維護智慧財產權的能力、價格壓力如平均售價下滑或客戶訂單模式改變、全年有效稅率預估的改變、面板其他關鍵零組件短缺、政策法規改變、匯率波動、子公司新投資案、對客戶應收帳款的回收與存貨的管理、維護及吸引人才，包括本公司為2013年度所申報的20-F文件中「風險因素」標題項下的該等風險。不論是否有其他新的訊息或事件，本公司皆無義務公開更新或修改此風險說明。

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 September 30,		Three Months Ended June 30,
	2014	2013	2014
Net revenues	\$ 222,317	\$ 192,814	\$ 196,404
Costs and expenses:			
Cost of revenues	167,948	144,092	148,952
Research and development	28,377	23,549	20,220
General and administrative	6,515	5,027	4,506
Sales and marketing	6,921	5,701	4,296
Total costs and expenses	209,761	178,369	177,974
Operating income	12,556	14,445	18,430
Non operating income:			
Interest income	167	104	213
Gains (losses) on sale of securities, net	(10)	4	10,749
Equity in income of equity method investees	14	101	5
Foreign exchange gains (losses), net	83	(30)	(18)
Interest expense	(139)	(110)	(117)
Other income, net	43	13	81
	158	82	10,913
Earnings before income taxes	12,714	14,527	29,343
Income tax expense	2,568	3,631	6,156
Net income	10,146	10,896	23,187
Net loss attributable to noncontrolling interests	1,001	1,374	925
Net income attributable to Himax stockholders	\$ 11,147	\$ 12,270	\$ 24,112
Basic earnings per ADS attributable to Himax stockholders	\$ 0.065	\$ 0.072	\$ 0.141
Diluted earnings per ADS attributable to Himax stockholders	\$ 0.065	\$ 0.072	\$ 0.140
Basic Weighted Average Outstanding ADS	170,927	169,980	170,920
Diluted Weighted Average Outstanding ADS	171,797	171,591	172,139

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

	Nine Months Ended September 30,	
	2014	2013
Revenues:		
Revenues from third parties, net	\$ 613,363	\$ 488,952
Revenues from related parties, net	-	86,555
	613,363	575,507
Costs and expenses:		
Cost of revenues	463,520	432,681
Research and development	69,051	61,290
General and administrative	15,291	13,209
Sales and marketing	15,412	13,390
Total costs and expenses	563,274	520,570
Operating income	50,089	54,937
Non operating income:		
Interest income	503	374
Gains on sale of securities, net	10,497	5
Equity in losses of equity method investees	(56)	(90)
Foreign exchange gains, net	318	385
Interest expense	(369)	(272)
Other income, net	127	58
	11,020	460
Earnings before income taxes	61,109	55,397
Income tax expense	12,344	13,849
Net income	48,765	41,548
Net loss attributable to noncontrolling interests	2,208	4,104
Net income attributable to Himax stockholders	\$ 50,973	\$ 45,652
Basic earnings per ADS attributable to Himax stockholders	\$ 0.298	\$ 0.269
Diluted earnings per ADS attributable to Himax stockholders	\$ 0.297	\$ 0.266
Basic Weighted Average Outstanding ADS	170,922	169,973
Diluted Weighted Average Outstanding ADS	171,818	171,446

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 September 30,		Three Months Ended June 30,
	2014	2013	2014
	<u>2014</u>	<u>2013</u>	<u>2014</u>
Share-based compensation			
Cost of revenues	\$ 85	\$ 190	\$ 15
Research and development	6,842	5,854	228
General and administrative	1,456	1,145	50
Sales and marketing	1,649	1,222	57
Income tax benefit	(2,142)	(1,872)	(85)
Total	<u>\$ 7,890</u>	<u>\$ 6,539</u>	<u>\$ 265</u>

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

Acquisition-related charges			
Research and development	\$ 194	\$ 435	\$ 194
Sales and marketing	-	290	-
Income tax benefit	(83)	(208)	(83)
Total	<u>\$ 111</u>	<u>\$ 517</u>	<u>\$ 111</u>

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:

	Nine Months Ended September 30,	
	2014	2013
Share-based compensation		
Cost of revenues	\$ 115	\$ 220
Research and development	7,298	6,471
General and administrative	1,556	1,258
Sales and marketing	1,763	1,368
Income tax benefit	(2,310)	(2,086)
Total	\$ 8,422	\$ 7,231

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

Acquisition-related charges		
Research and development	\$ 656	\$ 1,310
Sales and marketing	96	868
Income tax benefit	(291)	(627)
Total	\$ 461	\$ 1,551

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

	September 30, 2014	June 30, 2014	December 31, 2013
Assets			
Current assets:			
Cash and cash equivalents	\$ 144,577	\$ 169,799	\$ 127,320
Restricted cash and cash equivalents	140,526	108,393	108,399
Investments in marketable securities available-for-sale	3,094	3,133	788
Accounts receivable, less allowance for doubtful accounts, sales returns and discounts	218,765	199,003	200,725
Inventories	157,139	166,332	177,399
Deferred income taxes	7,385	8,364	9,974
Prepaid expenses and other current assets	14,568	12,275	15,052
Total current assets	\$ 686,054	\$ 667,299	\$ 639,657
Investment securities	\$ 12,688	\$ 12,688	\$ 21,877
Equity method investments	130	118	190
Property, plant and equipment, net	58,390	59,747	60,588
Deferred income taxes	3,574	2,297	2,135
Goodwill	28,138	28,138	28,138
Other intangible assets, net	4,477	4,672	5,234
Other assets	1,763	1,657	1,508
	<u>109,160</u>	<u>109,317</u>	<u>119,670</u>
Total assets	\$ 795,214	\$ 776,616	\$ 759,327
Liabilities, Redeemable noncontrolling interest and Equity			
Current liabilities:			
Short-term debts	\$ 137,500	\$ 105,500	\$ 105,500
Accounts payable	155,953	135,870	151,290
Income taxes payable	16,196	14,852	16,932
Other accrued expenses and other current liabilities	26,515	72,449	30,111
Total current liabilities	\$ 336,164	\$ 328,671	\$ 303,833
Other liabilities	2,898	2,913	3,279
Total liabilities	\$ 339,062	\$ 331,584	\$ 307,112
Redeemable noncontrolling interest	\$ 3,656	\$ 3,656	\$ 3,656
Equity			
Himax stockholders' equity:			
Ordinary shares, US\$0.3 par value, 1,000,000,000 shares authorized; 356,699,482 shares issued and 342,425,144 shares, 341,049,418 shares, 341,049,418 shares outstanding at September 30, 2014, June 30, 2014, and December 31, 2013, respectively	\$ 107,010	\$ 107,010	\$ 107,010
Additional paid-in capital	107,278	107,439	106,636
Treasury shares, at cost, 14,274,338 shares, 15,650,064 shares and 15,650,064 shares at September 30, 2014, June 30, 2014, and December 31, 2013, respectively	(10,144)	(11,120)	(11,120)
Accumulated other comprehensive loss	(460)	(406)	(412)
Unappropriated retained earnings	252,641	241,494	247,710
Himax stockholders' equity	\$ 456,325	\$ 444,417	\$ 449,824
Noncontrolling interests	(3,829)	(3,041)	(1,265)
Total equity	\$ 452,496	\$ 441,376	\$ 448,559
Total liabilities, redeemable noncontrolling interest and equity	\$ 795,214	\$ 776,616	\$ 759,327

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

	Three Months Ended September 30, 2014	2013	Three Months Ended June 30, 2014
Cash flows from operating activities:			
Net income	\$ 10,146	\$ 10,896	\$ 23,187
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	3,550	3,757	3,520
Share-based compensation expenses	695	578	350
Loss on disposal of property and equipment	---	1	---
Gain on disposal of investment securities, net	---	---	(10,743)
Loss (gain) on disposal of marketable securities, net	10	(4)	(6)
Equity in income of equity method investees	(14)	(101)	(5)
Deferred income tax expense (benefit)	(300)	870	479
Inventories write downs	1,888	2,862	1,683
Changes in operating assets and liabilities:			
Accounts receivable	(19,779)	17,060	5,482
Inventories	7,305	(19,554)	4,320
Prepaid expenses and other current assets	(2,295)	1,907	1,447
Accounts payable	20,083	7,102	(3,242)
Income taxes payable	1,344	1,699	(4,328)
Other accrued expenses and other current liabilities	219	(861)	740
Other liabilities	(3)	(49)	1
Net cash provided by operating activities	<u>22,849</u>	<u>26,163</u>	<u>22,885</u>
Cash flows from investing activities:			
Purchase of property and equipment	(2,058)	(3,752)	(3,781)
Proceeds from disposal of property and equipment	1	---	---
Purchase of available-for-sale marketable securities	(5,023)	(4,970)	(9,180)
Disposal of available-for-sale marketable securities	5,009	4,361	6,856
Disposal of investment securities	---	---	14,743
Release (pledge) of restricted cash equivalents and marketable securities	(195)	1,090	(61)
Increase in other assets	(86)	(32)	(114)
Net cash provided by (used in) investing activities	<u>(2,352)</u>	<u>(3,303)</u>	<u>8,463</u>

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

	Three Months Ended September 30, 2014	2013	Three Months Ended June 30, 2014
Cash flows from financing activities:			
Excess tax benefits from share-based compensation	1,232	1,271	---
Distribution of cash dividends	(46,042)	(42,394)	---
Proceeds from issuance of new shares by subsidiaries	---	4,391	---
Proceeds from disposal of subsidiary shares to noncontrolling interests by Himax Technologies Limited	---	---	83
Proceeds from disposal of subsidiary shares to noncontrolling interests by Himax Imaging, Inc.	2	(14)	8
Purchase of subsidiary shares from noncontrolling interests	(902)	---	(567)
Pledge of restricted cash equivalents (for borrowing of short-term debt)	(32,000)	(42,000)	---
Proceeds from borrowing of short-term debts	195,000	115,000	---
Repayment of short-term debts	(163,000)	(73,000)	---
Net cash used in financing activities	(45,710)	(36,746)	(476)
Effect of foreign currency exchange rate changes on cash and cash equivalents	(9)	26	39
Net increase (decrease) in cash and cash equivalents	(25,222)	(13,860)	30,911
Cash and cash equivalents at beginning of period	169,799	146,950	138,888
Cash and cash equivalents at end of period	\$ 144,577	\$ 133,090	\$ 169,799
Supplemental disclosures of cash flow information:			
Cash paid during the period for:			
Interest expense	\$ 139	\$ 110	\$ 117
Income taxes	\$ 2,328	\$ 435	\$ 10,418
Supplemental disclosures of non-cash financing activities:			
Dividend Payable	\$ ---	\$ ---	\$ 46,042

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

	Nine Months Ended September 30,	
	2014	2013
Cash flows from operating activities:		
Net income	\$ 48,765	\$ 41,548
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	10,689	10,466
Provision for allowance for doubtful accounts	---	173
Share-based compensation expenses	1,395	1,484
Gain on disposal of investment securities, net	(10,502)	---
Loss (gain) on disposal of marketable securities, net	5	(5)
Loss on disposal of property and equity	---	88
Issuance of new shares by subsidiary for royalties	---	49
Equity in losses of equity method investees	56	90
Deferred income tax expense	1,106	3,687
Inventories write downs	5,306	7,580
Changes in operating assets and liabilities:		
Accounts receivable	(18,062)	(66,609)
Accounts receivable from related parties	---	73,267
Inventories	14,954	(50,524)
Prepaid expenses and other current assets	480	(1,270)
Accounts payable	4,663	26,976
Income taxes payable	(735)	6,223
Other accrued expenses and other current liabilities	(3,078)	(216)
Other liabilities	(3)	(104)
Net cash provided by operating activities	55,039	52,903
Cash flows from investing activities:		
Purchase of property and equipment	(8,548)	(14,487)
Proceeds from disposal of property and equipment	1	---
Purchase of available-for-sale marketable securities	(17,514)	(16,056)
Disposal of available-for-sale marketable securities	15,170	15,448
Purchase of investment securities	---	(5,189)
Disposal of investment securities	19,691	---
Pledge of restricted cash equivalents and marketable securities	(190)	(1,785)
Increase in other assets	(206)	(271)
Net cash provided by (used in) investing activities	8,404	(22,340)

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

	Nine Months Ended September 30,	
	2014	2013
Cash flows from financing activities:		
Excess tax benefits from share-based compensation	1,232	1,271
Distribution of cash dividends	(46,042)	(42,394)
Proceeds from issuance of new shares by subsidiaries	---	4,781
Proceeds from disposal of subsidiary shares to noncontrolling interests by Himax Technologies Limited	83	---
Proceeds from disposal of subsidiary shares to noncontrolling interests by Himax Imaging, Inc.	20	64
Purchase of subsidiary shares from noncontrolling interests	(1,469)	---
Pledge of restricted cash equivalents (for borrowing of short-term debt)	(32,000)	(42,000)
Proceeds from borrowing of short-term debts	281,500	333,320
Repayment of short-term debts	(249,500)	(291,320)
Net cash used in financing activities	(46,176)	(36,278)
Effect of foreign currency exchange rate changes on cash and cash equivalents	(10)	68
Net increase (decrease) in cash and cash equivalents	17,257	(5,647)
Cash and cash equivalents at beginning of period	127,320	138,737
Cash and cash equivalents at end of period	\$ 144,577	\$ 133,090
 Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest expense	\$ 369	\$ 272
Income taxes	\$ 13,227	\$ 3,214

Himax Technologies, Inc.
Non-GAAP 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 September 30,		Three Months Ended June 30,
	2014	2013	2014
Revenues	\$ 222,317	\$ 192,814	\$ 196,404
Gross profit	54,369	48,722	47,452
Add: Share-based compensation – Cost of revenues	85	190	15
Gross profit excluding share-based compensation	54,454	48,912	47,467
Gross margin excluding share-based compensation	24.5%	25.4%	24.2%
Operating income	12,556	14,445	18,430
Add: Share-based compensation	10,032	8,411	350
Operating income excluding share-based compensation	22,588	22,856	18,780
Add: Acquisition-related charges –Intangible assets amortization	194	725	194
Operating income excluding share-based compensation and acquisition-related charges	22,782	23,581	18,974
Operating margin excluding share-based compensation and acquisition-related charges	10.2%	12.2%	9.7%
Net income attributable to Himax stockholders	11,147	12,270	24,112
Add: Share-based compensation, net of tax	7,890	6,539	265
Add: Acquisition-related charges, net of tax	111	517	111
Net income attributable to Himax stockholders excluding share-based compensation and acquisition-related charges	19,148	19,326	24,488
Net margin attributable to Himax stockholders excluding share-based compensation and acquisition-related charges	8.6%	10.0%	12.5%

*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.
Non-GAAP 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:

	Nine Months Ended September 30,	
	2014	2013
Revenues	\$ 613,363	\$ 575,507
Gross profit	149,843	142,826
Add: Share-based compensation – Cost of revenues	115	220
Gross profit excluding share-based compensation	149,958	143,046
Gross margin excluding share-based compensation	24.4%	24.9%
Operating income	50,089	54,937
Add: Share-based compensation	10,732	9,317
Operating income excluding share-based compensation	60,821	64,254
Add: Acquisition-related charges –Intangible assets amortization	752	2,178
Operating income excluding share-based compensation and acquisition-related charges	61,573	66,432
Operating margin excluding share-based compensation and acquisition-related charges	10.0%	11.5%
Net income attributable to Himax stockholders	50,973	45,652
Add: Share-based compensation, net of tax	8,422	7,231
Add: Acquisition-related charges, net of tax	461	1,551
Net income attributable to Himax stockholders excluding share-based compensation and acquisition-related charges	59,856	54,434
Net margin attributable to Himax stockholders excluding share-based compensation and acquisition-related charges	9.8%	9.5%

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

	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2014
Diluted GAAP earning per ADS attributable to Himax stockholders	\$0.065	\$0.297
Add: Share-based compensation per ADS	\$0.046	\$0.049
Add: Acquisition-related charges per ADS	\$0.001	\$0.003
 Diluted non-GAAP earning per ADS attributable to Himax stockholders excluding share-based compensation and acquisition-related charges	 \$0.111	 \$0.348

Numbers do not add up due to rounding