UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

May 9, 2013
Date of Report (Date of earliest event reported)

DIODES INCORPORATED
(Exact name of registrant as specified in its charter)

Delaware	**002-25577**	**95-2039518**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

4949 Hedgcoxe Road, Suite 200 **Plano, Texas**	**75024**
(Address of principal executive offices)	(Zip Code)

(972) 987-3900
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e 4(c))

Item 2.02 Results of Operations and Financial Condition.

On May 9, 2013, Diodes Incorporated (the "Company") issued a press release announcing its first quarter 2013 financial results. A copy of the press release is attached as Exhibit 99.1.

As announced in its press release dated April 11, 2013 providing the date, time and live webcast and telephone access information, on May 9, 2013, the Company hosted a conference call to discuss its first quarter 2013 financial results. A recording of the conference call has been posted on its website at www.diodes.com. A copy of the script is attached as Exhibit 99.2.

During the conference call on May 9, 2013, Dr. Keh-Shew Lu, President and Chief Executive Officer of the Company, as well as Richard D. White, Chief Financial Officer, Mark King, Senior Vice President of Sales and Marketing, and Laura Mehrl, Director of Investor Relations, made additional comments during a question and answer session. A copy of the transcript is attached as Exhibit 99.3.

In the press release and earnings conference call, the Company utilizes financial measures and terms not calculated in accordance with generally accepted accounting principles in the United States ("GAAP") in order to provide investors with an alternative method for assessing our operating results in a manner that enables investors to more thoroughly evaluate our current performance as compared to past performance. We also believe these non-GAAP measures provide investors with a more informed baseline for modeling the Company's future financial performance. Our management uses these non-GAAP measures for the same purpose. We believe that our investors should have access to, the same set of tools that we use in analyzing our results. These non-GAAP measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. See Exhibit 99.1 and below, for a description of the non-GAAP measures used.

In addition to the non-GAAP measures included in Exhibit 99.1, during the conference call additional non-GAAP measures were discussed. Presentation of these non-GAAP measures allows investors to review the Company's results of operations from the same viewpoint as the Company's management and Board of Directors. The Company has historically provided similar non-GAAP financial measures to provide investors an enhanced understanding of its operations, facilitate investors' analyses and comparisons of its current and past results of operations and provide insight into the prospects of its future performance. The Company also believes the non-GAAP measures are useful to investors because they provide additional information that research analysts use to evaluate semiconductor companies. These non-GAAP measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results and may differ from similar measures used by other companies. The following are non-GAAP measures discussed during the conference call:

Non-GAAP operating expenses – This measure consists of GAAP operating expenses, which is then adjusted solely for the purpose of adjusting for gain on sale of assets, acquisition costs, retention costs and amortization of acquisition related intangible assets (as described in Exhibit 99.1). Excluding gain on sale of assets, acquisition costs, retention costs and amortization of acquisition related intangible assets provides investors with a better depiction of the Company's operating expenses and provides a more informed baseline for modeling future operating expenses.

	Three Months Ended March 31, 2013 *unaudited*	Three Months Ended March 31, 2012 *unaudited*	Three Months Ended December 31, 2012 *unaudited*
GAAP operating expenses	$ 42,407	$ 28,206	$ 39,677
GAAP operating expenses as a present of revenue	24.0%	19.5%	24.3%
Adjustments to reconcile GAAP operating expenses to non-GAAP adjusted operating expenses:			
Gain on sale of assets	—	(2,122)	—
Acquisition costs	600	—	1,475
Retention costs	325	—	—
Amortization of acquisition related intangible assets	1,909	1,095	1,721
Non-GAAP adjusted operating expenses	$ 39,573	$ 29,233	$ 36,481
Non-GAAP operating expenses as a percent of revenue	22.4%	20.2%	22.3%

Non-GAAP selling, general and administrative ("SG&A") expenses – This measure consists of GAAP SG&A expenses, which is then adjusted solely for the purpose of adjusting for acquisition costs and retention costs (as described in Exhibit 99.1). Excluding acquisition costs and retention costs provides investors with a better depiction of the Company's SG&A expenses and provides a more informed baseline for modeling future SG&A expenses.

	Three Months Ended March 31, 2013 *unaudited*	Three Months Ended March 31, 2012 *unaudited*	Three Months Ended December 31, 2012 *unaudited*
GAAP SG&A expenses	$ 30,376	$ 22,146	$ 28,661
GAAP SG&A expenses as a percent of revenue	17.2%	15.3%	17.6%
Adjustments to reconcile GAAP SG&A expenses to non-GAAP adjusted SG&A expenses:			
Acquisition costs	600	—	1,475
Retention costs	325	—	—
Non-GAAP adjusted SG&A expenses	$ 29,451	$ 22,146	$ 27,186
Non-GAAP SG&A expenses as a percent of revenue	16.6%	15.3%	16.6%

Item 7.01 Regulation FD Disclosure.

The presentation and reconciliation of non-GAAP operating expenses and non-GAAP SG&A expenses contained in Item 2.02 above is incorporated by this reference into this Item 7.01. The press release in Exhibit 99.1 also provides an update on the Company's business outlook, that is intended to be within the Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995 (the "Act") as comprising forward looking statements within the meaning of the Act.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

See exhibit index.

The information in this Form 8-K and the exhibits attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as shall be expressly set forth by specific reference in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DIODES INCORPORATED

Dated: May 14, 2013

By /s/ Richard D. White
RICHARD D. WHITE
Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press release dated May 9, 2013
99.2	Conference call script dated May 9, 2013
99.3	Question and answer transcript dated May 9, 2013

Exhibit 99.1

Diodes Incorporated Reports First Quarter 2013 Financial Results

Achieves Record Revenue with Improved Margins

Plano, Texas – May 9, 2013 – Diodes Incorporated (Nasdaq: DIOD), a leading global manufacturer and supplier of high-quality application specific standard products within the broad discrete, logic and analog semiconductor markets, today reported its financial results for the first quarter ended March 31, 2013.

First Quarter Highlights

- Completed acquisition of BCD Semiconductor Manufacturing Limited ("BCD") on March 5 and included initial purchase accounting adjustments in first quarter 2013 GAAP results;
- Revenue was $177.0 million, an increase of 8.4 percent from the $163.3 million in the fourth quarter 2012, and an increase of 22.3 percent from the $144.7 million in the first quarter 2012;
- GAAP gross profit was $46.2 million, including a $1.8 million inventory valuation adjustment related to the BCD purchase, and GAAP gross margin was 26.1 percent;
- Non-GAAP adjusted gross profit was $48.0 million compared to GAAP gross profit of $43.2 million in fourth quarter 2012, and GAAP gross profit of $33.7 million in first quarter 2012;
- Non-GAAP adjusted gross profit margin was 27.1 percent compared to GAAP gross profit margin of 26.5 percent in fourth quarter 2012, and GAAP gross margin of 23.3 percent in the first quarter 2012;
- GAAP income tax expense was $6.6 million, including a $5.4 million China tax audit adjustment for 2009-2011;
- GAAP net loss was $1.9 million, or ($0.04) per share, compared to fourth quarter 2012 GAAP net income of $4.1 million, or $0.09 per diluted share, and first quarter 2012 GAAP net income of $4.9 million, or $0.10 per diluted share;
- Non-GAAP adjusted net income was $7.5 million, or $0.16 per diluted share, compared to non-GAAP adjusted net income of $6.2 million, or $0.13 per diluted share in fourth quarter 2012, and non-GAAP adjusted net income of $4.1 million, or $0.09 per diluted share, in first quarter 2012;
- Excluding $2.1 million, net of tax, of share-based compensation expense, GAAP net loss per share of ($0.04) would have improved by $0.05 per share and non-GAAP adjusted net earnings per fully diluted share of $0.16 would have improved by $0.04 per diluted share; and
- Achieved $31.3 million cash flow from operations, $43.1 million net cash flow, including $20.2 million of BCD cash at quarter end, and $15.4 million of free cash flow.

As previously disclosed the Company's updated guidance provided on March 7, 2013 did not include the impact of any BCD purchase price accounting adjustments. Based on the subsequent initial valuation of BCD's acquired assets, GAAP gross profit includes an inventory valuation adjustment totaling $1.8 million. In addition, as previously disclosed, the China government audited the high-tech company status of the Company's largest China subsidiary that has utilized a preferential tax rate of 15 percent. On April 11, 2013, the Company was notified by the China government that they had completed their tax audit and had concluded that the Company owed additional tax related to the 2011 tax year in the amount of $5.4 million.

Commenting on the results, Dr. Keh-Shew Lu, President and Chief Executive Officer, stated, "I am pleased to report that Diodes achieved record quarterly revenue despite the typical seasonal softness in the quarter and the slowdown at certain key OEMs. Our sequential revenue growth was due to the result of our continued design win momentum, as well as, one month of revenue contribution from our acquisition of BCD."

"Additionally, non-GAAP adjusted gross profit margin, which excludes the BCD inventory valuation adjustment, improved 60 basis points sequentially and was favorable to our updated guidance due to revenue increases in the higher margin regions of North America and Europe, a better than expected manufacturing recovery following the Chinese New Year holiday, lower gold prices and a more favorable product mix."

"Also during the quarter, we finalized our acquisition of BCD and the integration to-date has gone smoothly. This transaction, excluding purchase price accounting adjustments, was immediately accretive to earnings.

"Overall, we believe the first quarter sets the stage for continued growth and margin improvement in the second quarter, which will represent our first full quarter with BCD."

First Quarter 2013

Revenue for the first quarter 2013 was $177.0 million, an increase of 8.4 percent over the $163.3 million in the fourth quarter 2012, and an increase of 22.3 percent from the $144.7 million in the first quarter 2012. Revenue was up sequentially primarily due to one month of revenue contribution from BCD, as well as, the result of our continued design win momentum.

GAAP gross profit was $46.2 million, including a $1.8 million inventory valuation adjustment related to the BCD purchase. GAAP gross profit margin was 26.1 percent.

Non-GAAP adjusted gross profit for the first quarter 2013 was $48.0 million, or 27.1 percent of revenue, compared to GAAP gross profit of $43.2 million, or GAAP gross profit margin of 26.5 percent of revenue, in the fourth quarter 2012, and GAAP gross profit of $33.7 million, or GAAP gross profit margin of 23.3 percent, in the first quarter 2012. Gross profit margin improved over the prior quarter as a result of increased revenue in higher margin regions, a better than expected manufacturing recovery following the Chinese New Year holiday, lower gold prices, and improved product mix.

First quarter 2013 GAAP net loss was $1.9 million, or ($0.04) per share, which compared to fourth quarter 2012 GAAP net income of $4.1 million, or $0.09 per diluted share, and first quarter 2012 GAAP net income of $4.9 million, or $0.10 per diluted share.

First quarter 2013 non-GAAP adjusted net income was $7.5 million, or $0.16 per diluted share, which excluded, net of tax, $2.5 million of items related to the BCD acquisition, $1.5 million of non-cash acquisition-related intangible asset amortization costs, and $5.4 million due to the China tax audit adjustment. This compared to non-GAAP adjusted net income of $6.2 million, or $0.13 per diluted share, in the fourth quarter 2012 and $4.1 million, or $0.09 per diluted share, in the first quarter 2012.

The following is a summary reconciliation of GAAP net loss to non-GAAP adjusted net income and per share data, net of tax *(in thousands, except per share data):*

	Three Months Ended March 31, 2013			
	Cost of Goods Sold	Operating Expenses	Income Tax Provision	Net Income (Loss)
GAAP				**$ (1,926)**
Loss per share (GAAP)				
Diluted				**$ (0.04)**
Adjustments to reconcile net loss to adjusted net income:				
Items related to the BCD acquisition (excluding intangible assets)	1,828	925	(213)	**2,540**
Amortization of acquisition related intangible assets	—	1,909	(443)	**1,466**
Tax expense related to tax audit	—	—	5,447	**5,447**
Adjusted (Non-GAAP)				**$ 7,527**
Diluted shares used in computing earnings per share				**47,233**
Adjusted earnings per share (Non-GAAP)				
Diluted				**$ 0.16**

(See the reconciliation of net loss to adjusted net income tables near the end of the release for further details, including details of all items included in "items related to the BCD acquisition.")

Included in first quarter 2013 GAAP net loss and non-GAAP adjusted net income was approximately $2.1 million, net of tax, non-cash share-based compensation expense. Excluding share-based compensation expense, GAAP net loss per share of ($0.04) would have improved by $0.05 per share and non-GAAP adjusted diluted earnings per share of $0.16 would have improved by $0.04 per share.

EBITDA, which represents earnings before net interest expense, income tax, depreciation and amortization, for the first quarter 2013 was $23.1 million, compared to $24.1 million for the fourth quarter 2012 and $21.2 million for the first quarter 2012. For a reconciliation of GAAP net income (loss) to EBITDA (non-GAAP), see the table near the end of the release for further details.

As of March 31, 2013, the Company had approximately $200 million in cash and cash equivalents, and working capital was approximately $453 million.

Business Outlook

Dr. Lu concluded, "For the second quarter 2013, we expect continued growth with revenue increasing to between $206 million and $218 million, or up 16 percent to 23 percent sequentially, including the first full quarter of revenue from BCD. GAAP gross profit margin, which will include approximately $4.0 million relating to an inventory valuation adjustment pertaining to the inventory acquired as part of the BCD purchase, is expected to be 27.0 percent, plus or minus 2 percent. Non-GAAP gross profit margin, excluding the inventory valuation adjustment, is expected to be 29.0 percent, plus or minus 2 percent."

"In early second quarter 2013, we announced a restructuring of our UK development team and the closure of our New York sales office. We expect that these actions will be completed in the second quarter. Restructuring costs in the second quarter 2013 are expected to be approximately $1.7 million, and will provide cost savings going forward of approximately $3.0 million per year."

"GAAP operating expenses are expected to be 23.6 percent of revenue, plus or minus 1 percent. Non-GAAP operating expenses, excluding amortization of intangible expenses, restructuring expenses, and BCD retention bonus accruals, are expected to be 21.3 percent of revenue plus or minus 1 percent. We expect our income tax rate to range between 14 percent and 20 percent, and shares used to calculate GAAP earnings per share for the second quarter are anticipated to be approximately 47.4 million."

A summary of the guidance for GAAP and non-GAAP financial measures follows:

	GAAP	Non-GAAP
Revenue $ (millions)	$206 to $218	$206 to $218
Sequential growth (%)	16% to 23%	16% to 23%
Gross profit margin (% of Revenue)	25.0% to 29.0%	27.0% to 31.0%
Operating expenses (% of Revenue)	22.6% to 24.6%	20.3% to 24.6%
Tax rate (%)	14% to 20%	14% to 20%
Shares (millions)	47.4	47.4

Conference Call

Diodes will host a conference call on Thursday, May 9, 2013 at 4:00 p.m. Central Time (5:00 p.m. Eastern Time) to discuss its first quarter financial results. Investors and analysts may join the conference call by dialing 1-866-515-2915 and providing the confirmation code 64110633. International callers may join the teleconference by dialing 1-617-399-5129 and enter the same confirmation code at the prompt. A telephone replay of the call will be made available approximately two hours after the call and will remain available until Thursday, May 16, 2013 at midnight Central Time. The replay number is 1-888-286-8010 with a pass code of 33988622. International callers should dial 1-617-801-6888 and enter the same pass code at the prompt. Additionally, this conference call will be broadcast live over the Internet and can be accessed by all interested parties on the Investors section of Diodes' website at http://www.diodes.com. To listen to the live call, please go to the Investors section of Diodes' website and click on the conference call link at least 15 minutes prior to the start of the call to register, download and install any necessary audio software. For those unable to participate during the live broadcast, a replay will be available shortly after the call on Diodes' website for approximately 60 days.

About Diodes Incorporated

Diodes Incorporated (Nasdaq: DIOD), a Standard and Poor's SmallCap 600 and Russell 3000 Index company, is a leading global manufacturer and supplier of high-quality application specific standard products within the broad discrete, logic and analog semiconductor markets. Diodes serves the consumer electronics, computing, communications, industrial, and automotive markets.

Diodes' products include diodes, rectifiers, transistors, MOSFETs, protection devices, functional specific arrays, single gate logic, amplifiers and comparators, Hall-effect and temperature sensors; power management devices, including LED drivers, AC-DC converters and controllers, DC-DC switching and linear voltage regulators, and voltage references along with special function devices, such as USB power switches, load switches, voltage supervisors, and motor controllers. Diodes' corporate headquarters, logistics center, and Americas' sales office are located in Plano, Texas. Design, marketing, and engineering centers are located in Plano; San Jose, California; Taipei, Taiwan; Manchester, England; and Neuhaus, Germany. Diodes' wafer fabrication facilities are located in Kansas City, Missouri and Manchester, with four manufacturing facilities located in Shanghai, China, and two joint venture facilities located in Chengdu, China, as well as manufacturing facilities located in Neuhaus and Taipei. Additional engineering, sales, warehouse, and logistics offices are located in Fort Worth, Texas; Taipei; Hong Kong; Manchester; Shanghai; Shenzhen, China; Seongnam-si, South Korea; Suwon, South Korea; Tokyo, Japan; and Munich, Germany, with support offices throughout the world. For further information, including SEC filings, visit Diodes' website at http://www.diodes.com.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995: Any statements set forth above that are not historical facts are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Such statements include statements regarding our expectation that: overall, we believe the first quarter sets the stage for continued growth and margin improvement in the second quarter, which will represent our first full quarter with BCD; for the second quarter 2013, we expect continued growth with revenue increasing to between $206 million and $218 million, or up 16 percent to 23 percent sequentially, including the first full quarter of revenue from BCD; GAAP gross profit margin, which will include approximately $4.0 million relating to an inventory valuation adjustment pertaining to the inventory acquired as part of the BCD purchase, is expected to be 27.0 percent, plus or minus 2 percent; non-GAAP gross profit margin, excluding the inventory valuation adjustment, is expected to be 29.0 percent, plus or minus 2 percent; in early second quarter 2013, we announced a restructuring of our UK development team and the closure of our New York sales office; we expect that these actions will be completed in the second quarter; restructuring costs in the second quarter 2013 are expected to be approximately $1.7 million, and will provide cost savings going forward of approximately $3.0 million per year; GAAP operating expenses are expected to be 23.6 percent of revenue, plus or minus 1 percent; non-GAAP operating expenses, excluding amortization of intangible expenses, restructuring expenses, and BCD retention bonus accruals, are expected to be 21.3 percent of revenue plus or minus 1 percent; and we expect our income tax rate to range between 14 percent and 20 percent, and shares used to calculate GAAP earnings per share for the second quarter are anticipated to be approximately 47.4 million. Potential risks and uncertainties include, but are not limited to, such factors as: the risk that BCD's business will not be integrated successfully into Diodes'; the risk that the expected benefits of the acquisition may not be realized; the risk that BCD's standards, procedures and controls will not be brought into conformance within Diodes' operations; difficulties coordinating Diodes' and BCD's new product and process development, hiring additional management and other critical personnel, and increasing the scope, geographic diversity and complexity of Diodes' operations; difficulties in consolidating facilities and transferring processes and know-how; the diversion of our management's attention from the management of our business; the risk that we may not be able to maintain our current growth strategy or continue to maintain our current performance, costs and loadings in our manufacturing facilities; risks of domestic and foreign operations, including excessive operation costs, labor shortages, higher tax rates and our joint venture prospects; the risk of unfavorable currency exchange rates; our future guidance may be incorrect; the global economic weakness may be more severe or last longer than we currently anticipated; and other information detailed from time to time in Diodes' filings with the United States Securities and Exchange Commission.

Recent news releases, annual reports and SEC filings are available at the Company's website: http://www.diodes.com. Written requests may be sent directly to the Company, or they may be e-mailed to: diodes-fin@diodes.com.

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DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(unaudited)
(in thousands, except per share data)

	Three Months Ended March 31,	
	2013	2012
NET SALES	$176,964	$144,663
COST OF GOODS SOLD	130,781	110,957
Gross profit	46,183	33,706
OPERATING EXPENSES		
Selling, general and administrative	30,376	22,146
Research and development	10,080	7,164
Amortization of acquisition related intangible assets	1,909	1,095
Loss (gain) on sale of assets	42	(2,199)
Total operating expenses	42,407	28,206
Income from operations	3,776	5,500
OTHER INCOME (EXPENSES)		
Interest income	80	172
Interest expense	(945)	(123)
Gain (loss) on securities carried at fair value	366	—
Other	1,020	638
Total other income (expenses)	521	687
Income before income taxes and noncontrolling interest	4,297	6,187
INCOME TAX PROVISION	6,574	618
NET INCOME (LOSS)	(2,277)	5,569
Less: NET LOSS (INCOME) attributable to noncontrolling interest	351	(698)
NET INCOME (LOSS) attributable to common stockholders	$ (1,926)	$ 4,871
EARNINGS (LOSS) PER SHARE attributable to common stockholders		
Basic	$ (0.04)	$ 0.11
Diluted	$ (0.04)	$ 0.10
Number of shares used in computation		
Basic	46,021	45,460
Diluted	46,021	46,935

Note: Throughout this release, we refer to “net income attributable to common stockholders” as “net income.”

DIODES INCORPORATED AND SUBSIDIARIES
RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED NET INCOME
(in thousands, except per share data)
(unaudited)

For the three months ended March 31, 2013:

	Cost of Goods Sold	Operating Expenses	Income Tax Provision	**Net Income (Loss)**
GAAP				**$ (1,926)**
Loss per share (GAAP)				
Diluted				**$ (0.04)**
Adjustments to reconcile net loss to adjusted net income:				
Inventory valuations	1,828	—	(274)	**1,554**
Acquisition costs	—	600	110	**710**
Retention costs	—	325	(49)	**276**
Amortization of acquisition related intangible assets	—	1,909	(443)	**1,466**
Tax expense related to tax audit	—	—	5,447	**5,447**
Adjusted (Non-GAAP)				**$ 7,527**
Diluted shares used in computing earnings per share				**47,233**
Adjusted earnings per share (Non-GAAP)				
Diluted				**$ 0.16**

Note: Included in GAAP and non-GAAP adjusted net income was approximately $2.1 million, net of tax, non-cash share-based compensation expense. Excluding share based compensation expense, GAAP net loss per share of ($0.04) would have improved by $0.05 and non-GAAP adjusted diluted earnings per share of $0.16 would have improved by $0.04.

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED RECONCILIATION OF NET INCOME TO ADJUSTED NET INCOME – Cont.
(in thousands, except per share data)
(unaudited)

For the three months ended December 31, 2012:

	Operating Expenses	Income Tax Provisions	Net Income
GAAP			**$ 4,075**
Earnings per share (GAAP)			
Diluted			**$ 0.09**
Adjustments to reconcile net income to adjusted net income:			
Amortization of acquisition related intangible assets	1,721	(590)	**1,131**
Acquisition costs	1,475	(516)	**959**
Adjusted (Non-GAAP)			**$ 6,165**
Diluted shares used in computing earnings per share			**46,900**
Adjusted earnings per share (Non-GAAP)			
Diluted			**$ 0.13**

Note: Included in GAAP and non-GAAP adjusted net income was approximately $2.4 million, net of tax, non-cash share-based compensation expense. Excluding share based compensation expense, both GAAP and non-GAAP adjusted diluted earnings per share would have improved by $0.05 per share.

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED RECONCILIATION OF NET INCOME TO ADJUSTED NET INCOME – Cont.
(in thousands, except per share data)
(unaudited)

For the three months ended March 31, 2012:

	Operating Expenses	Income Tax Provision	Net Income
GAAP			**$ 4,871**
Earnings per share (GAAP)			
Diluted			**$ 0.10**
Adjustments to reconcile net income to adjusted net income:			
Amortization of acquisition related intangible assets	1,095	(290)	**805**
Gain on sale of assets	(2,122)	509	**(1,613)**
Adjusted (Non-GAAP)			**$ 4,063**
Diluted shares used in computing earnings per share			**46,935**
Adjusted earnings per share (Non-GAAP)			
Diluted			**$ 0.09**

Note: Included in GAAP and non-GAAP adjusted net income was approximately $2.3 million, net of tax, non-cash share-based compensation expense. Excluding this expense, both GAAP and non-GAAP adjusted diluted earnings per share would have improved by $0.05 per share.

ADJUSTED NET INCOME (Non-GAAP)

This measure consists of generally accepted accounting principles ("GAAP") net income (loss), which is then adjusted solely for the purpose of adjusting for inventory valuations, acquisition costs, retention costs, amortization of acquisition related intangible assets, tax payments related to tax audit and gain on sale of assets, as discussed below. Excluding inventory valuations, acquisition costs, retention costs, tax payments related to tax audit and gain on sale of assets provides investors with a better depiction of the Company's operating results and provides a more informed baseline for modeling future earnings expectations. Excluding the amortization of acquisition related intangible assets allows for comparison of the Company's current and historic operating performance. The Company excludes the above listed items to evaluate the Company's operating performance, to develop budgets, to determine incentive compensation awards and to manage cash expenditures. Presentation of the above non-GAAP measures allows investors to review the Company's results of operations from the same viewpoint as the Company's management and Board of Directors. The Company has historically provided similar non-GAAP financial measures to provide investors an enhanced understanding of its operations, facilitate investors' analyses and comparisons of its current and past results of operations and provide insight into the prospects of its future performance. The Company also believes the non-GAAP measures are useful to investors because they provide additional information that research analysts use to evaluate semiconductor companies. These non-GAAP measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results and may differ from measures used by other companies. For example, we do not adjust for any amounts attributable to noncontrolling interest**.** The Company recommends a review of net income on both a GAAP basis and non-GAAP basis be performed to get a comprehensive view of the Company's results. The Company provides a reconciliation of GAAP net income to non-GAAP adjusted net income.

Inventory valuations – The Company excluded cost incurred for inventory valuation. The Company adjusted the inventory acquired from the BCD acquisition to account for the reasonable profit allowance for the selling effort on finished goods inventory and the reasonable profit allowance for the completing and selling effort on the work–in-process inventory. This non-cash adjustment to inventory is not recurring in nature. The Company believes the exclusion of inventory valuations provides investors an enhanced view of certain costs the Company may incur from time to time and facilitates comparisons with the results of other periods that may not reflect such costs.

Acquisition costs – The Company excluded costs associated with acquiring BCD Semiconductor Manufacturing Limited ("BCD"), which consisted of advisory, legal and other professional and consulting fees. These costs were expensed in the first quarter of 2013 as that was when the costs were incurred and services were received of which, the corresponding tax adjustments were made for the non-deductible portions of these expenses. The Company believes the exclusion of the acquisition related costs provides investors an enhanced view of certain costs the Company may incur from time to time and facilitates comparisons with the results of other periods that may not reflect such costs.

Retention costs – The Company excluded costs accrued within operating expenses in regard to the $5 million employee retention plan in connection with the BCD acquisition. The retention payments are payable at the 12, 18 and 24 month anniversaries of the acquisition with the majority of the cost occurring in the first 12 months. Although these retention costs will be recurring every quarter until the final retention payment has been made, they are not part of the employees normal annual salaries and therefore being excluded. The Company believes the exclusion of retention costs provides investors an enhanced view of certain costs the Company may incur from time to time and facilitates comparisons with the results of other periods that may not reflect such costs.

Amortization of acquisition related intangible assets – The Company excluded the amortization of its acquisition related intangible assets including developed technologies and customer relationships. The fair value of the acquisition related intangible assets, which was allocated to the assets through purchase accounting, is amortized using straight-line methods which approximate the proportion of future cash flows estimated to be generated each period over the estimated useful lives of the applicable assets. The Company believes the exclusion of the amortization expense of acquisition related assets is appropriate as a significant portion of the purchase price for its acquisitions was allocated to the intangible assets that have short lives and exclusion of the amortization expense allows comparisons of operating results that are consistent over time for both the Company's newly acquired and long-held businesses. In addition, the Company excluded the amortization expense as there is significant variability and unpredictability across other companies with respect to this expense.

Tax expense related to tax audit – The Company excluded additional tax expense in regard to a tax audit of the China tax authorities. The China government audited the Company's High and New Technology Enterprise ("HNTE") status for the years 2009 through 2011 and determined there was an underpayment for the tax year 2011. The Company has been approved for the HNTE status for 2012 through 2014. Given that 2011 is an isolated occurrence, the additional tax and any penalties and interest associated with the audit are being excluded. The Company believes the exclusion of tax expense related to tax audit provides investors an enhanced view of certain costs the Company may incur from time to time and facilitates comparisons with the results of other periods that may not reflect such costs.

Gain on sale of assets – The Company excluded the gain recorded for the sale of assets. During the first quarter 2012, the Company sold an intangible asset located in Europe and this gain was excluded from management's assessment of the Company's core operating performance as this long-lived asset was a non-core intellectual asset. The Company believes the exclusion of the gain on sale of assets provides investors an enhanced view of a gain the Company may incur from time to time and facilitates comparisons with results of other periods that may not reflect such gains.

Adjusted Earnings per Share (Non-GAAP) – This non-GAAP financial measure is the portion of the Company's GAAP net income (loss) assigned to each share of stock, excluding inventory valuations, acquisition costs, retention costs, amortization of acquisition related intangible assets, tax payments related to tax audit and gain on sale of assets, as discussed below. Excluding inventory valuations, acquisition costs, retention costs, tax payments related to tax audit and gain on sale of assets provides investors with a better depiction of the Company's operating results and provides a more informed baseline for modeling future earnings expectations. Excluding the amortization of acquisition related intangible assets allows for comparison of the Company's current and historic operating performance, as described in further detail above. This non-GAAP measure should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results and may differ from measures used by other companies. The Company recommends a review of diluted earnings per share on both a GAAP basis and non-GAAP basis be performed to obtain a comprehensive view of the Company's results. Information on how these share calculations are made is included in the reconciliation table provided.

ADJUSTED GROSS PROFIT

Adjusted gross profit (Non-GAAP) – This measure consists of GAAP gross profit, which is then adjusted solely for the purpose of adjusting for inventory valuations (as described above) related to the acquisition of BCD. Excluding inventory valuations provides investors with a better depiction of the Company's gross profit and provides a more informed baseline for modeling future gross profit. Presentation of the above non-GAAP measure allows investors to review the Company's results of operations from the same viewpoint as the Company's management and Board of Directors. The Company has historically provided similar non-GAAP financial measures to provide investors an enhanced understanding of its operations, facilitate investors' analyses and comparisons of its current and past results of operations and provide insight into the prospects of its future performance. The Company also believes the non-GAAP measure is useful to investors because it provides additional information that research analysts use to evaluate semiconductor companies. This non-GAAP measure should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results and may differ from measures used by other companies.

	Three Months Ended March 31, 2013 *unaudited*
GAAP gross profit	**$ 46,183**
GAAP gross profit margin	**26.1%**
Adjustments to reconcile GAAP gross profit to non-GAAP adjusted gross profit:	
Inventory valuations	**1,828**
Non-GAAP adjusted gross profit	**$ 48,011**
Non-GAAP gross profit margin	**27.1%**

CASH FLOW ITEMS

Free cash flow (FCF) (Non-GAAP)

FCF for the first quarter of 2013 is a non-GAAP financial measure, which is calculated by taking cash flow from operations less capital expenditures. For the first quarter of 2013, the amount was $15.4 million ($31.3 million less (-) ($15.9) million). FCF represents the cash and cash equivalents that we are able to generate after taking into account cash outlays required to maintain or expand property, plant and equipment. FCF is important because it allows us to pursue opportunities to develop new products, make acquisitions and reduce debt.

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED RECONCILIATION OF NET INCOME (LOSS) TO EBITDA

EBITDA represents earnings before net interest expense, income tax provision, depreciation and amortization. Management believes EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties, such as financial institutions in extending credit, in evaluating companies in our industry and provides further clarity on our profitability. In addition, management uses EBITDA, along with other GAAP measures, in evaluating our operating performance compared to that of other companies in our industry because the calculation of EBITDA generally eliminates the effects of financing, operating in different income tax jurisdictions, and accounting effects of capital spending, including the impact of our asset base, which can differ depending on the book value of assets and the accounting methods used to compute depreciation and amortization expense. EBITDA is not a recognized measurement under GAAP, and when analyzing our operating performance, investors should use EBITDA in addition to, and not as an alternative for, income from operations and net income, each as determined in accordance with GAAP. Because not all companies use identical calculations, our presentation of EBITDA may not be comparable to similarly titled measures used by other companies. For example, our EBITDA takes into account all net interest expense, income tax provision, depreciation and amortization without taking into account any attributable to noncontrolling interest**.** Furthermore, EBITDA is not intended to be a measure of free cash flow for management's discretionary use, as it does not consider certain cash requirements such as tax and debt service payments.

The following table provides a reconciliation of net income (loss) to EBITDA (in thousands, unaudited):

	Three Months Ended March 31,		Three Months Ended December 31,
	2013	2012	2012
Net income (loss) (GAAP)	$ (1,926)	$ 4,871	$ 4,075
Plus:			
Interest expense, net	865	(49)	113
Income tax provision	6,574	618	2,842
Depreciation and amortization	17,558	15,773	17,072
EBITDA (Non-GAAP)	$23,071	$21,213	$ 24,102

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS

ASSETS
(in thousands)

	March 31, 2013	December 31, 2012
	(Unaudited)	
CURRENT ASSETS		
Cash and cash equivalents	$ 200,205	$ 157,121
Accounts receivable, net	172,237	152,073
Inventories	182,201	153,293
Deferred income taxes, current	11,566	9,995
Prepaid expenses and other	45,680	18,928
Total current assets	611,889	491,410
PROPERTY, PLANT AND EQUIPMENT, net	338,173	243,296
DEFERRED INCOME TAXES, non current	31,956	36,819
OTHER ASSETS		
Goodwill	86,400	87,359
Intangible assets, net	58,623	44,337
Other	17,597	16,842
Total assets	$1,144,638	$ 920,063

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS

LIABILITIES AND EQUITY
(in thousands, except share data)

	March 31, 2013 (unaudited)	December 31, 2012
CURRENT LIABILITIES		
Lines of credit	$ 3,713	$ 7,629
Accounts payable	92,091	64,072
Accrued liabilities	57,656	41,139
Income tax payable	5,547	678
Total current liabilities	158,916	113,518
LONG-TERM DEBT, net of current portion	213,787	44,131
OTHER LONG-TERM LIABILITIES	59,472	41,974
Total liabilities	432,175	199,623
COMMITMENTS AND CONTINGENCIES	—	—
EQUITY		
Diodes Incorporated stockholders' equity		
Preferred stock - par value $1.00 per share; 1,000,000 shares authorized; no shares issued or outstanding	—	—
Common stock - par value $0.66 2/3 per share; 70,000,000 shares authorized; 46,023,965 and 46,010,815 issued and outstanding at March 31, 2013 and December 31, 2012, respectively	30,683	30,674
Additional paid-in capital	283,876	280,571
Retained earnings	397,870	399,796
Accumulated other comprehensive loss	(42,870)	(33,856)
Total Diodes Incorporated stockholders' equity	669,559	677,185
Noncontrolling interest	42,904	43,255
Total equity	712,463	720,440
Total liabilities and equity	$1,114,638	$ 920,063

Exhibit 99.2

Call Participants: Dr. Keh-Shew Lu, Richard White, Mark King and Laura Mehrl

Operator:

Good afternoon and welcome to Diodes Incorporated's first quarter 2013 financial results conference call. At this time, all participants are in a listen only mode. At the conclusion of today's conference call, instructions will be given for the question and answer session. If anyone needs assistance at any time during the conference call, please press the star key followed by the zero on your touchtone phone.

As a reminder, this conference call is being recorded today, Thursday, May 9, 2013. I would now like to turn the call over to Leanne Sievers of Shelton Group Investor Relations. Leanne, please go ahead.

Introduction: Leanne Sievers, EVP of Shelton Group

Good afternoon and welcome to Diodes' first quarter 2013 financial results conference call. I'm Leanne Sievers, executive vice president of Shelton Group, Diodes' investor relations firm.

With us today are Diodes' President and CEO, Dr. Keh-Shew Lu; Chief Financial Officer, Rick White; Senior Vice President of Sales and Marketing, Mark King; and Director of Investor Relations, Laura Mehrl.

Before I turn the call over to Dr. Lu, I would like to remind our listeners that management's prepared remarks contain forward-looking statements, which are subject to risks and uncertainties, and management may make additional forward-looking statements in response to your questions.

Therefore, the Company claims the protection of the safe harbor for forward-looking statements that is contained in the Private Securities Litigation Reform Act of 1995. Actual results may differ from those discussed today, and therefore we refer you to a more detailed discussion of the risks and uncertainties in the Company's filings with the Securities and Exchange Commission.

In addition, any projections as to the Company's future performance represent management's estimates as of **today, May 9, 2013.** Diodes assumes no obligation to update these projections in the future as market conditions may or may not change.

Additionally, the Company's press release and management's statements during this conference call will include discussions of certain measures and financial information in GAAP and non-GAAP terms. Included in the Company's press release are definitions and reconciliations of GAAP to non-GAAP items, which provide additional details. Also, throughout the Company's press release and management's statements during this conference call, we refer to "net income attributable to common stockholders" as "GAAP net income."

For those of you unable to listen to the entire call at this time, a recording will be available via webcast for 60 days in the investor relations section of Diodes' website at www.diodes.com.

And now I will turn the call over to Diodes' President and CEO, Dr. Keh-Shew Lu. Dr. Lu, please go ahead.

Dr. Keh-Shew Lu, President and CEO

Thank you, Leanne.

Welcome everyone, and thank you for joining us today.

I am pleased to report that Diodes achieved record quarterly revenue despite the typical seasonal softness in the quarter and the slowdown at certain key OEMs. Our sequential revenue growth was due to the result of our continued design win momentum, as well as one month of revenue contribution from our acquisition of BCD.

Additionally non-GAAP gross profit margin, which excludes an inventory valuation adjustment related to the BCD purchase, improved 60 basis points sequentially and was favorable to our updated guidance due to revenue increases in the higher margin regions of North America and Europe, a better than expected manufacturing recovery following the Chinese New Year holiday, lower gold prices and a more favorable product mix.

Also during the quarter, we finalized our acquisition of BCD on March 5th and the integration to-date has gone smoothly. This transaction was immediately accretive to earnings, excluding purchase price accounting adjustments. We already have begun working through selected BCD product offloads to our internal assembly test facility and will start the conversion to internal production in fourth quarter this year. We expect the conversion of the majority of products that can be converted to internal production to be finished by the end of first quarter next year. We expect to begin benefiting from the cross-selling synergies of the expanded analog offerings late in the fourth quarter of this year.

Overall, I am pleased with the progress we made in the quarter in terms of design win momentum and integration of our recent acquisitions. I believe the first quarter sets the stage for continued growth and margin improvement in the second quarter.

With that, I will now turn the call over to Rick to discuss our first quarter financial results as well as second quarter guidance in more detail.

Rick White, CFO

Thanks, Dr. Lu, and good afternoon everyone.

Revenue for the first quarter 2013 was $177.0 million, an increase of 8.4 percent over the $163.3 million in the fourth quarter 2012 and an increase of 22.3 percent from the $144.7 million in the first quarter 2012. The sequential increase in revenue was primarily due to one month of revenue contribution from BCD, as well as the result of our continued design win momentum.

GAAP gross profit for the first quarter 2013 was $46.2 million, or 26.1 percent of revenue. As previously disclosed in our mid-quarter guidance press release on March 7th, our guidance did not include the impact of any BCD purchase price accounting adjustments. Based on our subsequent initial valuation of BCD's acquired assets, GAAP gross profit for the first quarter 2013 included an inventory valuation adjustment related to the BCD purchase totaling $1.8 million.

Excluding this amount, **non-GAAP adjusted gross profit** was $48.0 million, or 27.1 percent of revenue, compared to GAAP gross profit of $43.2 million, or 26.5 percent, in the fourth quarter 2012, and $33.7 million, or 23.3 percent of revenue, in the first quarter 2012. The 60 basis point sequential improvement and the favorable upside versus our updated guidance in gross profit margin was due mainly to increased revenue in higher margin regions, a better than expected manufacturing recovery following the Chinese New Year holiday, lower gold prices and a more favorable product mix.

GAAP operating expenses for the first quarter were $42.4 million, or 24.0 percent of revenue, which included approximately $900,000 of items related to the BCD acquisition, and $1.9 million related to amortization of acquisition intangibles, compared to $39.7 million, or 24.3 percent of revenue, in the fourth quarter 2012, and $28.2 million, or 19.5 percent of revenue, in the first quarter 2012.

Excluding acquisition related costs, amortization of acquisition intangibles and the gain on the sale of an asset, operating expenses on a **non-GAAP basis** for the first quarter 2013 were $39.6 million, or 22.4 percent of revenue, compared to $36.5 million, or 22.3 percent of revenue, in the fourth quarter 2012, and $29.2 million, or 20.2 percent of revenue, in the first quarter 2012.

Looking specifically at **Selling, General and Administrative** expenses for the first quarter, **GAAP SG&A** was approximately $30.4 million, or 17.2 percent of revenue compared to $28.7 million, or 17.6 percent of revenue in fourth quarter 2012, and $22.1 million , or 15.3% of revenue in first quarter 2012.

N**on-GAAP SG&A** was $29.5 million, or 16.7 percent of revenue, compared to $27.2 million, or 16.6 percent of revenue, in the fourth quarter, and $22.1 million, or 15.3 percent of revenue, in the first quarter 2012.

Investment in Research and Development for the first quarter on a GAAP and non-GAAP basis was approximately $10.1 million, or 5.7 percent of revenue, compared to $9.3 million, or 5.7 percent of revenue, in the fourth quarter 2012, and $7.2 million, or 5.0 percent of revenue, in the prior year quarter. The increase in R&D reflects our addition of BCD.

Total Other Income amounted to $500,000 for the first quarter. Looking at interest income and expense, we had approximately $850,000 of net interest expense which was more than offset by currency gains, mainly in Europe.

Income Before Taxes and Noncontrolling Interest in the first quarter was $4.3 million on a GAAP basis and $9.0 million on a non-GAAP basis, which excludes the above mentioned acquisition adjustments and other items. This compares to income of $6.6 million in fourth quarter 2012, and $6.2 million in the first quarter 2012.

Turning to **income taxes**, GAAP income tax expense was $6.6 million and included a $5.4 million China tax audit adjustment for the 2011 tax year. As previously disclosed, the China government audited the high-tech company status of our largest China subsidiary for 2009, 2010 and 2011, which had utilized a preferential tax rate of 15 percent. On April 11th, we were notified by the China government that they had completed their tax audit and concluded that we owed additional tax related to the 2011 tax year in the amount of $5.4 million.

GAAP net loss for the first quarter was $1.9 million, or ($0.04) per share, compared to GAAP net income of $4.1 million, or $0.09 per diluted share, in the fourth quarter 2012, and GAAP net income of $4.9 million, or $0.10 per diluted share, in the prior year quarter. The share count used to compute GAAP earnings per share EPS for the first quarter was 46.0 million shares.

First quarter **non-GAAP adjusted net income** was $7.5 million, or $0.16 per diluted share, which excluded, net of tax, $2.5 million of items related to the BCD acquisition, $1.5 million of non-cash acquisition related intangible asset amortization costs, and $5.4 million related to the China tax audit adjustment. The fully diluted share count used to compute non-GAAP earnings per share for the first quarter was 47.2 million shares.

We have included in our earnings release a reconciliation of GAAP net loss to non-GAAP adjusted net income, which provides additional details. Included in first quarter GAAP and non-GAAP adjusted net income was approximately $2.1 million, net of tax, of non-cash share-based compensation expense. Excluding share based compensation expense, the GAAP net loss of $0.04 per share would have improved by $0.05 per share and non-GAAP adjusted net income of $0.16 per diluted share would have improved by $0.04 per diluted share.

Cash flow generated from operations was $31 million and **free cash flow** was $15 million for the first quarter.

Net cash flow was a positive $43 million for the first quarter, including approximately $20 million of BCD's cash at the end of the quarter.

Turning to the **balance sheet**, at the end of the first quarter, we had approximately $200 million in cash and cash equivalents. Working capital was approximately $453 million.

At the end of the first quarter, **inventory** was approximately $182 million, including $40 million of BCD inventory. Excluding BCD, our inventory of $142 million was down approximately $12 million from the fourth quarter 2012, mainly due to a decrease in finished goods. Inventory days were 115. Excluding BCD, days decreased to 112 in the first quarter, compared to 119 days in the last quarter.

At the end of the first quarter, **Accounts receivable** was approximately $172 million and A/R days were 82, compared to 87 last quarter.

Capital expenditures for the first quarter were $13.2 million, which included $5.6 million related to the expansion of our Shanghai sales and design center. Excluding this amount, capital expenditures were 4.3 percent of first quarter revenue, compared to 5.6 percent in the fourth quarter. We expect capital expenditures to range between 5 and 9 percent of revenue for 2013.

Depreciation and amortization expense for the first quarter was $17.6 million.

Now, turning to our Outlook…

For the second quarter of 2013, we expect continued growth with revenue increasing to between $206 million and $218 million, or up 16 percent to 23 percent sequentially, including the first full quarter of revenue from BCD. GAAP gross profit margin, which will include approximately $4.0 million relating to an inventory valuation adjustment pertaining to the inventory acquired as part of the BCD purchase, is expected to be 27.0 percent, plus or minus 2 percent. Non-GAAP gross profit margin, excluding the inventory valuation adjustment, is expected to be 29.0 percent, plus or minus 2 percent.

In early second quarter 2013, we announced a restructuring of our UK development team and the closure of our New York sales office. We expect that these actions will be completed in second quarter. Restructuring costs included in second quarter 2013 are expected to be approximately $1.7 million, and will provide savings going forward of approximately $3.0 million per year.

GAAP operating expenses are expected to be 23.6 percent of revenue, plus or minus 1 percent. Non-GAAP operating expenses, excluding amortization of intangible expenses, restructuring expenses, and BCD retention bonus accruals, are expected to be 21.3 percent of revenue, plus or minus 1 percent. We expect our income tax rate to range between 14 percent and 20 percent, and shares used to calculate GAAP earnings per share for the second quarter are anticipated to be approximately 47.4 million.

For more detail on the outlook please see our press release.

With that said, I will now turn the call over to Mark King.

Mark King, Senior VP of Sales and Marketing

Thank you, Rick, and good afternoon.

Our achievement of 8.4 percent sequential growth and record quarterly revenue was driven by strong increases in North America and Europe, which recovered from a very weak 3Q and 4Q, as well as one month of revenue from BCD. The industrial and communication sectors improved in both of these regions, while computing was slightly better than expected with some expansion in WiFi modules. Although the consumer market was softer, we continued to execute our strategy and capitalize on our strong position in smartphones and tablets with new products and design wins in both devices and chargers.

OEM sales for the quarter were down 8 percent and distributor POS was up 8 percent. It was a strong quarter for POP as distributors began anticipating market improvements and started building required inventory, especially in North America and Europe where inventories had been reduced to minimum levels. Distributor inventory rose 4 percent after two consecutive quarters of decline. Global inventory remained in line and under 3 months.

Turning to **Global Sales**, Asia represented 79 percent of revenue, North America 11 percent and Europe 10 percent.

Our end market breakout consisted of consumer representing 31 percent of revenue, computing 29 percent, industrial 19, communications 17, and automotive 4 percent. With the completion of our recent acquisitions and differences in market sector reporting, we plan to redo and align our market sector definitions in the second quarter.

In terms of **new products and design wins**, we had a strong quarter with another revenue record on CMOS LDO’s along with positive momentum in DC-DC converters, LED backlighting, audio, Hall sensors and SBR® from broad-based markets. Design wins also remained strong, and we have a solid pipeline of designs going forward.

Starting with **Discrete,** product introductions totaled 25 new products across 10 product families, representing a wide range of application segments and markets. There were several important new products introduced for the high-volume portable market space. These were complemented by products targeted at computing, consumer and industrial applications worldwide.

Of particular note is a device launched using Diodes proprietary SBR® technology, which demonstrates leading-class performance in thermally demanding small form-factor portable adapter applications. This product was designed, prototyped, and ramped to full volume production in one quarter for a leading Asian manufacturer of mass market portable devices. This rapid product ramp is a good example of Diodes superior applications know-how, design agility and manufacturing flexibility. We expect further developments in this technology area in the coming quarters.

Also targeted at the portable market space, Diodes further expanded its range of miniature DFN packaged devices with additions to the thermally and space-efficient DFN1006 package. These new devices comprise a range of MOSFET, Schottky and TVS products developed specifically to meet the needs of several of the world's leading portable device manufactures.

Also new this quarter, we introduced the first two devices in a range of regulator transistors created for telecom, networking and power-over-ethernet applications. These devices minimize footprint by reducing component count and increasing power density, which are two of Diodes core strengths.

Turning to **analog** new product introductions, which now include the products released by BCD, we introduced 115 new products across 6 product families. New product highlights include the release of several new primary side regulators and a primary side dynamic accelerator targeted for portable chargers and power adapters. The AC/DC power area is an exciting new product space that the acquisition of BCD has opened for Diodes. During the quarter, we secured 18 significant new AC/DC wins for mobile phone charger applications.

Also during the quarter, we added several new DC-DC buck converters, including several synchronous high-speed 3A devices intended to support portable consumer equipment powered from a lithium-ion battery. We racked up several design wins for set-top boxes, modems and flat panel TVs with our family of recently released 2A and 3A light-load, high-efficiency buck converters. With the addition of the low voltage converters, boost converters and DC-DC controllers from our recent PAM and BCD acquisitions, Diodes now offers a broad and effective DC-DC product portfolio. This includes a family of low voltage converters with a strong position on several major WiFi module reference designs.

We also expanded our line of LED backlighting drivers with the addition of product families from PAM and BCD. Our newest linear LED driver provides a simple, cost-effective solution for low current LED lamps that are ideally suited for monitors and flat panel TVs. In addition to backlighting, we secured wins in the offline space with several dimmer and retrofit bulb applications, as well as general illumination wins in the automotive and industrial space for MR-16 retrofit bulbs.

Turning to our Hall Sensor portfolio, we released a line of sensitivity-selectable micropower Hall switches that are offered in a miniature, low profile CSP package. These devices are designed specifically for battery powered consumer applications, such as cell phones and tablet PCs. Sensor design wins during the quarter included several DC fan motor sockets, open/close position sensors for notebook computers, a medical position encoder socket and an energy metering application.

During the quarter we announced the expansion of our standard logic product line with more package options added to our four families of high-speed and advanced high-speed CMOS parts. These new devices are widely used in computing, consumer electronics, domestic appliances, building controls and industrial automation applications. Additionally, the new logic families cover a wide voltage supply range from 2.0 volts through 5.5 volts, which means they will support legacy applications and can be tailored for low voltage and low power applications as well.

In summary, the first quarter represented significant progress and advancement for Diodes. We completed our acquisition of BCD to complement our recent acquisition of PAM. These acquisitions significantly increase Diodes' presence in the analog market with an expanded product portfolio and have also expanded our sales and customer footprint. Coupling them with Diodes' new product and design win momentum, positions us well for long-term, profitable growth.

With that, I'll open the floor to questions - Operator?

Upon Completion of the Q&A…

Dr. Lu: Thank you for your participation today. Operator, you may now disconnect.

Exhibit 99.3

DIODES 1Q 2013 EARNINGS CALL

QUESTION AND ANSWER

Operator

(OPERATOR INSTRUCTIONS)

Steve Smigie – *Raymond James & Associates – Analyst*

I WANTED TO SAY CONGRATULATIONS ON THE GREAT REPORT AND GUIDE HERE TO IMPRESSIVE MARGIN IMPROVEMENT THERE. DR LU, I WAS HOPING YOU COULD TALK A LITTLE BIT NOW ABOUT BCD, AS YOU'VE HAD IT IN HOUSE FOR A LITTLE WHILE. HAVE YOU HAD ANY CUSTOMER RESPONSE ON POTENTIAL CROSS-SELLING OPPORTUNITIES? DOES IT SEEM LIKE THAT'S GOING TO BE SOME DECENT REVENUE LEVERAGE THERE?

Keh-Shew Lu – *Diodes Inc – President & CEO*

THANK YOU, STEVE. YES. I THINK, NUMBER ONE, THE CONSOLIDATION, IT LOOKS LIKE PRETTY GOOD. EVERYTHING IS SMOOTHLY DOING. WE STILL HAVE FURTHER WORK TO BE DONE. BUT UNTIL TODAY EVERYTHING IS DOING WELL. SECOND, YES. WE GET A PRETTY GOOD FEEDBACK FROM CUSTOMERS, ESPECIALLY WITH BDC PRODUCT COMPLIMENT WITH DIODES' PRODUCT. WE PROVIDE A MUCH BIGGER SCALE OF THE PRODUCT PORTFOLIO TO OUR CUSTOMER. THIS KIND OF ONE-STOP SHOPPING IS REALLY HELP OUR CUSTOMER. OUR CUSTOMERS REALLY FEEL VERY GOOD. SO THE FEEDBACK FROM OUR CUSTOMER ABOUT THE SYNERGY — THE SALE SYNERGY, I'M STILL VERY HAPPY. I THINK IN THE SPEECH, WE TALKING ABOUT — WE THINK WE CAN START TO HAVE A CROSS-SELL SYNERGY UTILIZED IN 4Q THIS YEAR. BECAUSE IT TAKES TIME TO GET CUSTOMER THE DESIGN WIN. IN, WIN AND GO TO PRODUCTION.

Steve Smigie – *Raymond James & Associates – Analyst*

GREAT. THANKS. ON THE MARGIN SIDE, CAN YOU TALK A LITTLE BIT ABOUT HOW YOU ARE THINKING ABOUT GROSS MARGIN HERE NOW THAT YOU HAVE BCD? I THINK THE MARGINS AT THE END OF THE DAY WEREN'T THAT DIFFERENT. SO I'M GOING TO GUESS, WE SHOULD SEE PROBABLY, IF REVENUE KEEPS CREEPING UP HERE, THAT WE WOULD SEE SOME MARGIN LEVERAGE. SO I GUESS THE QUESTION IS, WILL YOU KEEP SEEING CONTINUED MARGIN LEVERAGE? JUST TO SNEAK ONE LAST ONE, CAN YOU GIVE SOME GUIDANCE ON OR THOUGHTS ON HOW A TAX RATE LOOKS GOING FORWARD? POST-JUNE IT SEEMS A LITTLE HIGHER THAN YOU USED TO HAVE. THANKS.

Keh-Shew Lu – *Diodes Inc – President & CEO*

OKAY. I PROBABLY CANNOT GIVE YOU THE PARTICULAR SPECIFIC NUMBER BECAUSE WE ARE NOT REALLY RELEASE IT OTHER THAN SECOND QUARTER NUMBERS, OKAY? BUT NEED TO LET YOU UTILIZE IN THE 1Q, BCD FAB TWO IT JUST STARTED TO RAMP IT UP IN JANUARY, OKAY? SO WE STILL, IN THE RAMP-UP MODE IN THE SECOND QUARTER. THAT UNDER LOADED RAMP-UP IS GOING TO BE NEGATIVE IMPACT TO OUR GPM PERCENT, BUT MOVE FORWARD, I THINK WE ALREADY STARTED WORKING ON OFF LOADING OR QUALIFY BCD PRODUCT INTO DIODES' SKE ASSEMBLY. I THINK WE SAID, IN OUR SPEECH, THE OFF LOAD WILL BE STARTED IN 4Q THIS YEAR AND MAJORITY OF WHAT WE WANT TO MOVE WILL BE PROBABLY COMPLETED BY END OF 1Q NEXT YEAR. THEREFORE, THIS WILL BE FOR SURE, IMPROVE OUR GPM PERCENT IN DATA IN THE FUTURE.

AT THE SAME TIME, WE ARE LOOKING AT MOVE OUR DIODES' ANALOG WAFER LOADING INTO THE BCD. WE ALREADY IDENTIFY WHERE WE CAN MOVE OUR WAFER INTO THE BCD. BUT, OF COURSE, IT TAKES TIME TO QUALIFY. THE PROCESS IS ALMOST — IS ALREADY THERE. WE JUST NEED TO QUALIFY IT AND DO THE PCN AND THE CUSTOMER ACCEPTS THAT WAFER FAB CHANGE. THEN YOU WILL BE START TO ABLE TO OFFLOAD OUR ANALOG WAFER INTO THE BCD FAB. SO, AGAIN, IT WON'T BE IMMEDIATELY IMPACTED IN 2Q, 3Q, BUT FARTHER DOWN THE LINE. IT DEPENDS ON WHEN THE CUSTOMER ACCEPTANCE AND WE NEEDED TO LET US CONVERT. I THINK IN THE FUTURE, IT WILL BE GREATLY IMPACT OUR GPM PERCENT IMPROVEMENT.

Steve Smigie – *Raymond James & Associates – Analyst*

OKAY. RICK ANY THOUGHTS? IS IT THE TAX? YOU GUYS GUIDED FOR JUNE, IS THAT MORE OF WHAT WE SHOULD BE THINKING AS THE RATE GOING FORWARD? OR IS A ONE-TIME RATE ABOVE NORMAL?

Rick White – ***Diodes Inc – CFO***

NO. NO, THAT TAX RATE WHERE WE SAID 14% TO 20% IS GOING FORWARD, NOT JUST A SECOND QUARTER RATE. IT WOULD BE FOR THE REST OF THE YEAR.

Steve Smigie – ***Raymond James & Associates – Analyst***

OKAY, GREAT. ALL RIGHT, CONGRATULATIONS AGAIN. THANK YOU.

Operator

CHRISTOPHER LONGIARU, SIDOTI & COMPANY.

Christopher Longiaru – ***Sidoti & Company – Analyst***

I'LL ADD MY CONGRATULATIONS. GREAT QUARTER, GREAT GUIDE. MY QUESTION IS — MY FIRST QUESTION'S FOR MARK BECAUSE I WAS JUST A LITTLE BIT CONFUSED. ESSENTIALLY, YOU SAID THAT CONSUMER WAS WEAK, BUT THAT THE BASICALLY THE CELL PHONE GUYS LIKE HTC SAMSUNG MADE UP FOR SOME OF THAT WEAKNESS? IS THAT WHAT I'M TO UNDERSTAND?

Mark King – ***Diodes Inc – SVP – Sales & Marketing***

I THINK THAT WOULD BE A GOOD ASSUMPTION.

Christopher Longiaru – ***Sidoti & Company – Analyst***

OKAY. THEN, JUST IN TERMS OF THE EXPENSES GOING FORWARD. SO YOU HAVE SOME RESTRUCTURING CHARGES ON A GAAP BASIS. DO THOSE GO AWAY AS WE MOVE ON PAST JUNE? THEN WILL YOU TALK ABOUT THE RESTRUCTURING SAVING ABOUT $3 MILLION IN ANNUAL COSTS? WILL WE START SEE THAT IN THE SEPTEMBER QUARTER?

Keh-Shew Lu – ***Diodes Inc – President & CEO***

WELL, THE ANSWER IS YES. OKAY? THE DESTRUCTION IS HAPPENING NOW —

Mark King – ***Diodes Inc – SVP – Sales & Marketing***

RESTRUCTURING —

Keh-Shew Lu – ***Diodes Inc – President & CEO***

(LAUGHTER) THE RESTRUCTURING —

Mark King – ***Diodes Inc – SVP – Sales & Marketing***

NOT DESTRUCTION (LAUGHTER).

Keh-Shew Lu – ***Diodes Inc – President & CEO***

IT'S HAPPENING NOW. YES. IN THE COMING QUARTER, IT WILL BE A BENEFIT, THAT $3 MILLION A YEAR. IT WILL BENEFIT FROM NOW ON.

Christopher Longiaru – ***Sidoti & Company – Analyst***

GOT IT. JUST FROM A GROSS MARGIN PROSPECTIVE, BCD, WAS THAT ABOUT 22%? FOR GROSS MARGIN, WHEN THEY WERE ON THEIR OWN — SO IT LOOKS LIKE THE INCORPORATION OF THAT MONTH MIGHT HAVE ACTUALLY HURT YOUR GROSS MARGIN IN THE SHORT TERM BECAUSE YOU HAVEN'T HAD A CHANCE TO BRING THAT IN HOUSE? IS THAT ACCURATE?

Keh-Shew Lu – ***Diodes Inc – President & CEO***

WELL, I CANNOT COMMENT THE PERCENT. BUT LIKE I SAID, YES, IT WILL BE HURTING US IN THE AVERAGE. BUT FOR LONG TERM, IT IS GOING TO BE HELPING US. I CANNOT COMMENT ON THE NUMBER, OKAY? BUT, YES, IT'S BECAUSE OF THEY ARE UNDER LOADED AND THE RAMP-UP ON THE FAB TWO. FAB TWO IS AT ZERO LAST YEAR. IT STARTED RAMPING UP IN JANUARY. IT TAKES TIME TO RAMP-UP.

Operator

GARY MOBLEY, BENCHMARK.

Gary Mobley – ***The Benchmark Company – Analyst***

I WANTED TO HONE IN ON THE GROSS MARGIN. IF YOU LOOK AT THE MIDPOINT OF YOUR GROSS MARGIN GUIDE FOR THE JUNE QUARTER, IT IS ABOUT A 300 BASIS POINT SEQUENTIAL IMPROVEMENT. HOW MUCH OF THAT IS A FUNCTION OF BETTER FIXED COST COVERAGE, BETTER DEPRECIATION EXPENSE COVERAGE? HOW MUCH IS ATTRIBUTABLE TO YOU PICKING AND CHOOSING WHICH OPPORTUNITIES TO CHASE? IN OTHER WORDS, SELLING ONLY THE HIGHEST MARGIN PRODUCTS? HOW MUCH HAS TO DO WITH THE CONTINUAL CONVERSION TO GOLD BOND WIRING? THANK YOU.

Keh-Shew Lu – ***Diodes Inc – President & CEO***

OKAY, GREAT. WE REALLY DON'T SEPARATE ALL THIS ONE, BECAUSE THEY GIVE ME THE FORECAST, I CONSOLIDATE THAT, THEN WE'RE DOING THIS. SO IT'S VERY DIFFICULT FOR ME TO SAY HOW MUCH IS DUE TO WHAT, WHAT, WHAT. BUT WHAT YOU HAVE BEEN COVERED IS ALL TRUTH. NUMBER ONE, I HAVE BEEN TALKING ABOUT GOLD PRICE. THE GOLD PRICE GOING DOWN IN 1Q AND IT CONTINUE GOING DOWN FROM AVERAGE POINT OF VIEW. WE MAKE SOME ASSUMPTIONS FOR 2Q AND OBVIOUSLY 2Q GOING TO BE CHEAPER THAN THE AVERAGE OF THE FIRST QUARTER. SO GOLD PRICE IS HELPING US. SECOND, OUTPUT MORE. IT'S BECAUSE THE BUSINESS IS GOING UP. YOU CAN SEE THE GROWTH. THAT'S SO, BECAUSE 1Q IS A SLOW QUARTER FOR US. BECAUSE THE SECOND QUARTER GROWTH, THE LOADING IS UP. IT WILL BE IN PUT — I MEAN, PROFITABILITY OF OUR MAKING FUNCTION DUE TO THIS UNLOADING FACTOR.

NUMBER THREE, PRODUCT MIX. WHEN THE BUSINESS IS START TO GETTING BETTER, WE ARE MOVING OUR MIX TO THE BETTER FOR US. SO THAT IS THE RESULT. THE PRICE STABILITY, I THINK WE ALREADY SEE IN THE PRICE STABILIZE. I'M NOT SAYING INCREASE. DON'T MISUNDERSTAND ME, WHEN I SAY STABILIZE, IS WE HAVE EXPECT, I THINK IN THE PAST, CERTAIN PERCENT OF THE PRICE DROP EVERY QUARTER. AS LONG AS IT'S WITHIN THAT KIND OF A PRICE CURVE, OUR PRODUCTIVITY IMPROVEMENT SHOULD TAKE CARE OF THAT AND THEN IT GIVES US A BETTER GPM PERCENT. SO I THINK WHATEVER YOU HAVE BEEN SEEING, TALKING ABOUT A PROBLEM AFFECT US THOSE FOUR FACTORS. YES. NOW, IT'S TURNING TO BE GOOD FOR US. SO THAT'S WHAT HAPPENING.

Gary Mobley – ***The Benchmark Company – Analyst***

OKAY. I WAS JUST HOPING TO GET A COUPLE FOLLOW-UP RATIOS AS WELL AND THE PERCENTAGES? LOOKING FORWARD, WHAT IS THE SPLIT BETWEEN ANALOG AND DISCRETE? LOOKING INTO YOUR JUNE QUARTER GUIDANCE, CORRECT ME IF I'M WRONG, BUT IS THAT ASSUMING ABOUT 5% ORGANIC GROWTH? THEN LAST, MARK, IF YOU CAN SHARE WITH US THE BOOK-TO-BILL RATIO FOR THE QUARTER? THAT'S IT FOR ME.

Keh-Shew Lu – ***Diodes Inc – President & CEO***

WELL, GARY, WE REALLY, SINCE WE DON'T SEPARATE ANALOG FROM THE DISCRETE, I CANNOT REALLY TALK ABOUT HOW MANY PERCENT. FROM A GROWTH POINT OF VIEW, AGAIN, SINCE WE DON'T SEPARATE BCD FROM DIODES, SO I CANNOT TELL YOU. BUT ONE THING YOU JUST NEED TO GUESS FOR YOURSELF, BCD GIVE THE GUIDANCE ON 1Q. WHAT WILL BE IN THE 1Q. THAT IS THE PUBLIC INFORMATION, YOU TAKE THAT, YOU ASSUME SOME PERCENT. THEN FROM THERE YOU CAN FIGURE OUT YOUR OWN. BUT SINCE, WE DO NOT DISCLOSE ANY SEPARATION BETWEEN ANALOG BUSINESS TO DISCRETE, WE DON'T SEPARATE FROM BCD FROM DIODES, I CANNOT DISCLOSE THAT.

Mark King – ***Diodes Inc – SVP – Sales & Marketing***

ON THE BOOK TO BILL, WE DON'T REALLY GET INTO THE REAL DETAILS OF THAT. BUT I WOULD SAY IT'S OBVIOUSLY ABOVE 1 BASED ON THE GUIDANCE. IT LOOKS — WE'RE PRETTY WELL POSITIONED FOR THE SECOND QUARTER.

Operator

SHAWN HARRISON, LONGBOW RESEARCH.

Shawn Harrison – ***Longbow Research – Analyst***

I WANTED TO GET BACK TO THE COMMENTS ABOUT DISTRIBUTION IN TERMS OF POINT OF SALE INCREASING AND INVENTORY REBUILDING. WHERE DO YOU THINK YOU ARE IN TERMS OF DISTRIBUTORS ADDING INVENTORY? WILL YOU SEE THEM BUILD MORE INVENTORY THIS QUARTER? HOW LONG CAN WE SEE THAT GO ON FOR?

Mark King – ***Diodes Inc – SVP – Sales & Marketing***

I DON'T KNOW, I THINK THAT, AGAIN, IT WAS A PRETTY STRONG QUARTER, BUT WE HAD ACTUALLY — OUR INVENTORY HAD GONE DOWN TO AMAZINGLY LOW LEVELS. SO OUR INVENTORY IN THE CHANNEL IN NORTH AMERICA AND EUROPE WAS VERY, VERY CLEAN AND SOLIDLY POSITIONED IN ASIA. SO I THINK THAT — BUT WE WERE ALSO VERY HAPPY WITH THE POS GROWTH IN THAT QUARTER. THERE WAS A BIG RECOVERY IN BOTH NORTH AMERICA AND EUROPE IN POS IN THE THIRD AND FOURTH — FROM THE THIRD AND FOURTH QUARTER. SO WE THINK IT'S GOOD. I JUST CAME BACK FROM THE EDS SHOW AND EVERYBODY IS CAUTIOUSLY OPTIMISTIC GOING FORWARD ABOUT WHERE THE BUSINESS IS GOING. NOBODY REALLY WANTS TO COMMIT. BUT I THINK THAT THE CLEAR INDICATION IS THAT THEY FEEL COMFORTABLE INVESTING AS THEY SEE OPPORTUNITY TO DO SO. SO I THINK WE'LL CONTINUE TO SEE OPPORTUNITIES TO POSITION PRODUCT FOR FUTURE POS GROWTH.

Shawn Harrison – ***Longbow Research – Analyst***

MARK, ARE YOU SEEING LEAD TIMES EXPAND FOR YOUR PRODUCTS? I GUESS THAT COULD BE A DRIVER FOR DISTRIBUTION FOR MORE INVENTORY.

Mark King – ***Diodes Inc – SVP – Sales & Marketing***

WE'RE SEEING A LITTLE BIT OF WORDS ABOUT LEAD TIME EXTENSIONS ON SOME OF THE LOWEST LEVEL COMMODITY PRODUCTS. I THINK PEOPLE — A COUPLE OF GUYS ARE TRYING TO FIRM UP THEIR BACKLOG A LITTLE BIT. BUT I DON'T THINK ANYTHING EXCESSIVE.

Shawn Harrison – ***Longbow Research – Analyst***

OKAY. THEN, RICK —

Keh-Shew Lu – ***Diodes Inc – President & CEO***

WE ARE RUNNING OUR BUSINESS — IT'S NOT REALLY USING LEAD TIME ON THIS. WE USE — I THINK I CAN TELL — TALK ABOUT OUR BUSINESS MODEL, IS PUT A WAFER IN FRONT OF AN ASSEMBLY. SO OUR ASSEMBLY LEAD TIME IS NOT HIGH; THEREFORE, OUR CUSTOMERS KNOW, THEY JUST ORDER WHEN THEY NEED IT — WHEN THEY'RE CLOSE TO THEY NEED IT. THEY DON'T GIVE US A DOUBLE ORDER OR THAT KIND OF THING. SO I THINK OUR BUSINESS MODEL REALLY TAKE CARE OF THAT KIND OF LONG LEAD TIME AND DOUBLE BOOKING THAT KIND OF SITUATION.

Shawn Harrison – ***Longbow Research – Analyst***

GOT YOU. THEN TWO BRIEF FOLLOW-UPS. RICK, MAYBE IF YOU COULD GIVE US THE EXPECTED INTEREST EXPENSE FOR THE JUNE QUARTER? THEN ALSO JUST IN TERMS OF WITH THE BETTER TRENDS YOU'RE SEEING IN THE BUSINESS ORGANICALLY RIGHT NOW, WHAT DOES THAT MEAN FOR THE PACKAGING FACILITY IN CHENG DU?

Rick White – ***Diodes Inc – CFO***

OKAY. SO THE INTEREST EXPENSE FOR THE SECOND QUARTER IS JUST GOING TO BE BASICALLY THE FIRST QUARTER PLUS A LITTLE BIT MORE. I DON'T HAVE THAT EXACT NUMBER HERE. WE BORROWED THE MONEY TO BUY BCD IN JANUARY AND FEBRUARY AREA, SO IT'S GOING TO BE MAYBE A LITTLE BIT MORE THAN WHAT WE HAD IN OUR RESULTS. TELL ME AGAIN, WHAT WAS THE OTHER ONE ABOUT CHENG DU?

Shawn Harrison – ***Longbow Research – Analyst***

JUST IN TERMS OF THE ORGANIC ENVIRONMENT BEING BETTER. WHAT DOES THAT MEAN IN TERMS OF JUST CAPEX WITH THE FACILITY? MAYBE BRINGING IT ONLINE QUICKER? ANYTHING OF THAT NATURE.

Keh-Shew Lu – ***Diodes Inc – President & CEO***

FROM CHENG DU, WE STILL NOT PUTTING THE EXPANSION, AGGRESSIVELY YET. BECAUSE WE STILL HAVE UNDER LOAD SITUATION IN OUR SHANGHAI FACILITY. BUT WE ARE WATCHING VERY CLOSELY, BECAUSE YOU NEED CERTAIN LEAD TIME FOR THE BUILD UP THE FACTORY. SO WE ARE NOW LOOKING AT WHAT WE NEED TO DO IN CHENG DU IN THE TIMING, OKAY? BUT UNTIL TODAY, WE'RE STILL KEEPING AS OUR PRIVATE LINE. WE'RE RUNNING IT, KEEP PEOPLE UNDER THE TRAINING. GET READY. THE BUILDING CONSTRUCTION IS ALREADY DONE. WHENEVER WE ARE READY, WE WILL START TO PUT IN THE CLEAN ROOM AND START TO GET IT — MOVE THE EQUIPMENT FROM OUR PRIVATE LINE TO THE MANUFACTURING SITE.

Shawn Harrison – ***Longbow Research – Analyst***

OKAY, VERY HELPFUL. CONGRATULATIONS, AGAIN, ON CLOSING THE ACQUISITION.

Rick White – ***Diodes Inc – CFO***

SO ONE OTHER COMMENT ABOUT INTEREST EXPENSE. IF YOU LOOK AT OUR INTEREST EXPENSE IN THE FIRST QUARTER, IT WAS ABOUT A LITTLE LESS THAN $1 MILLION. SO BECAUSE WE'RE GOING TO HAVE A FULL QUARTER OF INTEREST EXPENSE, IT IS GOING TO BE SOMEWHERE OVER $1 MILLION, PROBABLY $1 MILLION TO $1.5 MILLION, WOULD BE MY GUESS.

Shawn Harrison – ***Longbow Research – Analyst***

OKAY. THANKS SO MUCH, RICK.

Keh-Shew Lu – ***Diodes Inc – President & CEO***

YES. ANOTHER THING I PROBABLY WANT TO MENTION, YOU PROBABLY START TO UTILIZE, WHEN WE'RE TALKING ABOUT CAPITAL EXPENDITURE, AS A PERCENT OF REVENUE, WE ARE NO LONGER TALKING ABOUT EXCLUDING CHENG DU. IT JUST MEANS FROM NOW ON OUR CAPITAL EXPENDITURE IN THE CHENG DU IS GOING TO BE PART OF THE MODEL. OKAY? SO IF YOU LOOK AT — WHEN WE LOOK AT CAPITAL AS A PERCENT OF THE REVENUE, OUR MODEL, CHENG DU WILL BE PART OF THAT NOW. OKAY, SO WE ARE NO LONGER TREATING CHENG DU SEPARATELY.

Operator

HARSH KUMAR, STEPHENS.

Harsh Kumar – ***Stephens Inc. – Analyst***

DR LU, CONGRATULATIONS ON GREAT GUIDANCE, GOOD GROSS MARGIN INCREASES. I WANTED TO FOLLOW UP ON A COUPLE OF QUESTIONS. FIRST OF ALL, MAYBE FOR RICK, WHY ARE THE TAXES GOING TO BE 17% VERSUS HISTORICAL? WHAT'S THE BIG REASON, WHY THEY WILL STAY UP LIKE THIS?

Rick White – ***Diodes Inc – CFO***

WELL, IF YOU GO BACK HISTORICALLY, OUR TAX RATE HAS BEEN ANYWHERE BETWEEN 15% AND 20%. SO, OVER THE LAST YEAR OR SO, WE'VE BEEN AT LESS THAN 15% A COUPLE OF TIMES. THE REASON IS THAT, WE HAVE HAD SOME LOSSES IN CERTAIN AREAS AND THAT AFFECTS YOUR TAX RATE. SO YOU — AS MOVING FORWARD, THINGS SEEM TO BE IMPROVING.

Keh-Shew Lu – ***Diodes Inc – President & CEO***

GPM IS IMPROVING.

Rick White – ***Diodes Inc – CFO***

YES. GPM IS IMPROVING. WE WENT FROM 23% IN THE FIRST QUARTER OF LAST YEAR TO THE 26% NOW. SO THINGS ARE IMPROVING, PLUS, AS MARK MENTIONED, THE REVENUE IN EUROPE AND THE US IS HOLDING UP PRETTY WELL, WHICH IS WHERE YOU HAVE HIGH PROFITABILITY, BUT YOU ALSO HAVE HIGHER TAXES THERE.

Harsh Kumar – ***Stephens Inc. – Analyst***

FAIR ENOUGH. JUST WANTED TO CLARIFY THAT. DR LU, YOU GAVE A BUNCH OF REASONS FOR MARKET INCREASES. YOU DIDN'T WANT TO GET INTO THE NUMBERS, BUT I WAS CURIOUS, DR LU, IF YOU COULD JUST SAY WHAT'S THE BIGGEST REASON THAT'S DRIVING MARGINS IN THE JUNE QUARTER? EVEN BEYOND? IF YOU HAD TO PICK ONE OUT OF THE FOUR OR FIVE YOU LISTED?

Keh-Shew Lu – ***Diodes Inc – President & CEO***

WELL, OBVIOUSLY DUE TO THE REALIZATION AND OUR PRODUCTIVITY IMPROVEMENT IN THE MAKING FUNCTION GOING TO BE A BIG LIST SOON. GO UP AND DOWN, OKAY? YES. THAT'S ONE OF THE REASONS, BUT I WON'T JUST SAY THAT IS REALLY THE MAJOR ONE, OKAY? PRODUCT PRICING, I SAID STABLE, BUT IT'S NOT GOING TO BE UP, SO IT'S NOT GOING TO HELP. IT JUST STOPS THE GOING DOWN, RIGHT? THE KEY THING REALLY IS WHEN THE BUSINESS STARTED GOING UP, YOU'RE LOADING STARTED GETTING IMPROVED. YOU CAN REALIZE WE ARE NOT PUTTING THAT MUCH OF CAPITAL ANY MORE. BECAUSE IF YOU GO THROUGH LAST QUARTER AND THE FOURTH QUARTER LAST YEAR, WE HAVE BEEN DISTRACT OUR CAPITAL INVESTMENT. THAT MEANS OUR CAPACITY IS NOT GOING TO BE INCREASED THAT MUCH. THAT MEANS OUR REALIZATION OF THE CAPACITY GOING TO BE IMPROVED. SO YOU ASK ME, I WANT TO TELL YOU THE TRUTH. I'M LIKE, NO, I'M NOT TELL YOU THE TRUTH. I JUST SAY TO BE SEEN ASKING WHAT WAS THE BIGGEST FACTOR, I WOULD SAY, PRODUCTIVITY IMPROVEMENT ON OUR MAKING FUNCTION, PLUS THE REALIZATION OF OUR CAPACITY. IT'S THE KEY FACTOR. THAT I THINK REALIZATION, IT HAS BEEN HURTING US IN THE PAST. WE ARE WAITING FOR BUSINESS TURN AND WE CAN START TO UTILIZE THAT CAPACITY.

Harsh Kumar – ***Stephens Inc. – Analyst***

FAIR ENOUGH. VERY HELPFUL DR LU. THEN YOU TALKED ABOUT BACK END INTEGRATION OF BCD MANUFACTURING. YOU SAID, YOU STARTED THAT. HAS A LOT OF THAT BEEN DONE? OR ARE YOU JUST STARTED IT AND IT WILL TAKE A FEW MORE QUARTERS?

Keh-Shew Lu – ***Diodes Inc – President & CEO***

OKAY. WHEN WE SAY STARTED IS WE ALREADY SELECT THE PRODUCT, WE WANT TO CONVERT INTERNALLY — OFF LOAD TO INTERNALLY. START TO DO THE QUALIFICATION. YOU KNOW THE CORE, IT TAKE THREE MONTHS, OKAY? THEN AFTER YOU CORE, THEN YOU NEED TO DO THE PCN TO NOTIFY THE CUSTOMER. IT TAKES ANOTHER THREE MONTHS. THEN FOR THE SMALL CUSTOMER, THEY MIGHT ALLOW TO YOU CONVERT IT IMMEDIATELY. THAT'S WHY I WOULD SAY 4Q WE'LL START IT. BUT SOME OF THE MAJOR CUSTOMERS, THEY JUST WANT MORE TIME TO CONSIDER IT. SO I SAID BY END OF 1Q NEXT YEAR, THE MAJORITY OF WHAT WE WANT TO CONVERT WILL BE CONVERT.

Harsh Kumar – ***Stephens Inc. – Analyst***

GREAT. THAT'S VERY HELPFUL. THEN DR LU, AT THIS TIME — A COUPLE OF YEARS AGO YOU HAD A CHINA LABOR PROBLEM, WHERE YOU DIDN'T HAVE ENOUGH WORKERS COMING BACK. ANYTHING NOTEWORTHY THIS TIME AROUND? OR IS EVERYTHING GOING ON PLAN?

Keh-Shew Lu – ***Diodes Inc – President & CEO***

IT'S ALL SAME WAY, THE CHINA LABOR SHORTAGE, CHINA LABOR DON'T COME BACK, I'M NOT SEEING A MAJOR IMPROVEMENT, NO. BUT SINCE THIS IS NOT THE FIRST TIME, THIS IS THE I THINK THIRD OR FOURTH TIME WE SEE THE PROBLEM. WE ALREADY KNOW HOW TO HANDLE IT. THE FIRST TIME, TWO OR THREE YEARS AGO, IT TOOK US BY SURPRISE. NOW WE KNOW HOW TO HANDLE IT SO WE PREPARE FOR IT. I THINK IF YOU REMEMBER, LAST CONFERENCE CALL, WE SAID WE BUILD SOME INVENTORY AND BY END OF FIRST QUARTER, PREPARE FOR CHINESE NEW YEAR, SHUT DOWN. THEN WE KNOW HOW TO STAGE OUR PEOPLE INSTEAD OF ALL GOING THE SAME TIME ON THE CHINESE NEW YEAR. SO WE ALREADY LEARN HOW TO HANDLE IT. WE CAN HANDLE IT EACH YEAR BETTER AND SMOOTHER. THAT'S WHY THIS TIME WE SAID, BETTER THAN WE EXPECTED. IT'S JUST MORE EXPERIENCE TO HANDLE THIS. WE PREPARE FOR IT. WE BUILD THE INVENTORY IN FOURTH QUARTER.

Harsh Kumar – ***Stephens Inc. – Analyst***

FAIR ENOUGH, DR LU. CONGRATULATIONS AGAIN. THANKS.

Operator

VIJAY RAKESH, STERNE AGEE.

Vijay Rakesh – ***Sterne, Agee & Leach, Inc. – Analyst***

DR LU, CONGRATULATIONS. GOOD GROSS MARGINS, FINALLY. (LAUGHTER) I HAD A COUPLE OF QUESTIONS. SO JUST LOOKING AT THE OPEX SIDE FROM BCD, DO YOU THINK THERE ARE ANY LEVERS THERE THAT SHOULD GO THROUGH FIRST — SECOND HALF THIS YEAR, FIRST HALF NEXT YEAR?

Keh-Shew Lu – ***Diodes Inc – President & CEO***

NUMBER ONE, WE ARE NOT DOING ANY DAY OFF OR ANYTHING. OKAY? NO, WE WANT TO KEEP EVERYBODY FROM BCD TEAM. BECAUSE WE BELIEVE THEIR PEOPLE IS GOOD PEOPLE, IT'S REALLY GOOD AND THAT'S THE REASON WE BOUGHT BCD. NO, WE ARE NOT GOING TO REDUCE THE HEADCOUNT. BUT IF YOU DO LOOK AT — IF WE CAN CONTINUE TO GROW THE REVENUE, THEN AS A PERCENTAGE, IT WILL GO DOWN. THAT'S THE WAY DIODES HAS BEEN DOING IT IN THE PAST, IS WE KEEP EVERYBODY. WE AGGRESSIVELY GROW THE REVENUE AND BRING THE GPM PERCENT, GO BACK TO OUR BUSINESS MODEL. WE DID THAT WHEN WE HAD ZETEX, WE DID THAT IN THE PAST. WE HAVE A BUSINESS MODEL, R&D PLUS SG&A AT 20% OF REVENUE. WE WOULD SUFFER AT THE BEGINNING, START GETTING HIGHER, THEN WE SAID WHEN THE REVENUE STARTED TO GROW THAT NUMBER WILL GO DOWN. WE PROVED THAT IN ZETEX ACQUISITION. NOW WE'RE GOING TO PROVE THE SAME THING. WE ARE DOING THE SAME WAY FOR THE BCD ACQUISITION.

Vijay Rakesh – ***Sterne, Agee & Leach, Inc. – Analyst***

RIGHT. AS YOU LOOK AT JUNE QUARTER HERE, BCD WAS A LITTLE BIT OF A DRAG WITH UNDERUTILIZATION. DO YOU THINK YOU WILL GET A LITTLE BIT MORE TAILWIND FOR THE MARGIN LINE WITH — I SAW THOSE UNDERUTILIZATION CHARGES GO AWAY IN THE BACK HALF FOR BCD?

Keh-Shew Lu – ***Diodes Inc – President & CEO***

WELL, I THINK, ACTUALLY BCD GOING TO BE — HAVE MORE LOADING IN SECOND QUARTER THAN FIRST QUARTER. BECAUSE FIRST QUARTER FROM JANUARY IS ZERO. IT STARTS TO RAMP. SO 1Q, IF YOU TAKE THE AVERAGE, BUT WE ONLY CONSOLIDATE IN MARCH, BUT EVEN THOUGH MARCH, JUST THIRD MONTH INTO THE RAMP FOURTH QUARTER AND SECOND QUARTER, THEY CONTRIBUTED MORE AND THEY WILL CONTRIBUTE MORE FROM THE GPM PERCENT, OKAY? BUT DON'T FORGET DIODES IS IMPROVING, TOO. SO IT MAY STILL NEGATIVE IMPACT US. BUT IT'S NO LONGER A VERY SIGNIFICANT. THE MOVE FORWARD, WHEN THE LOADING STARTS GETTING BETTER AND — BOTH FAB ONE AND FAB TWO, THEN WHEN WE START TO PRODUCE A PRODUCT FOR THEM, THEIR COST WOULD GO DOWN, AND AT THE END. THEY ARE GOING TO BE HELPING OR WE SHOULD SAY THE TOTAL TOGETHER SHOULD BE HELP EACH OTHER.

Vijay Rakesh – ***Sterne, Agee & Leach, Inc. – Analyst***

GOT IT. LAST QUESTION, ON THE BACK STRAIGHT, IT CREEPED UP A LITTLE BIT. I KNOW YOU SAID SOMEWHERE IN USE FROM HIGH MARGIN — HIGH TAX RATE REGIONS. IT LOOKS LIKE YOU STILL HAVE THESE END REVENUES COMING FROM ASIA STILL, RIGHT? AS YOU LOOK AT NEXT YEAR DO YOU STILL THINK TAX RATE STAYS AT THIS LEVEL? OR IT GOES DOWN? OR IT'S TOO FAR OUT TO SAY?

Rick White – ***Diodes Inc – CFO***

I THINK IT'S TOO FAR OUT TO SAY. IT REALLY DEPENDS ON WHERE THE REVENUE IS GENERATED AND WHERE THE PROFIT IS GENERATED. THE BIG DIFFERENCE IS BETWEEN US TAX RATES AND THE PREFERENTIAL TAX RATES IN CHINA, FOR INSTANCE.

Keh-Shew Lu – ***Diodes Inc – President & CEO***

AND TAIWAN.

Rick White – ***Diodes Inc – CFO***

AND TAIWAN, TOO, YES. RIGHT. SO TOO FAR OUT TO SAY.

Operator

LENA ZHANG, BLAYLOCK ROBERT VAN.

Lena Zhang – ***Blaylock Robert Van – Analyst***

ADD MY CONGRATULATIONS AS WELL. I UNDERSTAND THAT YOU GUYS DON'T QUANTIFY THE GROSS MARGIN DRIVERS FOR Q2. BUT IF YOU — GIVEN THE — A PRETTY BIG A DELTA FOR Q1 RESULTS AND GUIDANCE. IF YOU COULD QUANTIFY THE GROSS MARGIN EXPANSION DRIVERS THAT WOULD BE VERY HELPFUL FOR THE MODELING?

Rick White – ***Diodes Inc – CFO***

WELL, SO THE QUESTION IS BETWEEN THE GUIDANCE AND THE RESULTS FOR THE FIRST QUARTER?

Lena Zhang – ***Blaylock Robert Van – Analyst***

YES. IF COULD YOU QUANTIFY THE GROSS MARGIN EXPANSION DRIVERS FOR THE Q1, THAT WOULD BE HELPFUL.

Mark King – ***Diodes Inc – SVP – Sales & Marketing***

SO I THINK DR LU WENT THROUGH THAT. WE THINK A LOT OF THAT WILL HAVE TO DO WITH PRODUCTIVITY AND UTILIZATION OF OUR SAP ASSEMBLY FACILITIES AS THE VOLUMES INCREASE.

Lena Zhang – ***Blaylock Robert Van – Analyst***

OKAY.

Keh-Shew Lu – ***Diodes Inc – President & CEO***

IN OUR SPEECH, WE ALREADY SAY, OKAY — IN OUR SPEECH IS PRODUCTIVITY IMPROVEMENT IS BETTER THAN EXPECTED CHINESE NEW YEAR RECOVERY. I THINK THAT — WE PUT IN THE MODEL OF HOW THE CHINESE NEW YEAR GOING TO BE RECOVERED, BASED ON OUR PAST EXPERIENCE. THE PAST IS ALWAYS — WHEN YOU GO THROUGH THE CHINESE NEW YEAR, A LOT OF PEOPLE GO HOME AND DON'T COME BACK OR COME BACK LATE. THAT REDUCED THE OUTPUT. WHEN YOUR OUTPUT REDUCED IN OUR MAKING FUNCTION IS EQUAL TO

THE CAPACITY EMPTY, SIX CAUSES THERE, CAPACITY IS NOT FULLY UTILIZED. THEN YOUR PROFITABILITY SIGNIFICANTLY REDUCED. AS I SAY IN MY SPEECH, I SAID SEVERAL THINGS. ONE IS THE BETTER THAN EXPECTED SALE IN THE NORTH AMERICA AND THE EUROPE, THE HIGH GPM AREA. BUT THE KEY ONE WE CAN SAY, CHINESE NEW YEAR RECOVERY, BETTER THAN I EXPECTED, AND SOME GOLD PRICE — GOLD PRICE IN THE 1Q ACTUALLY LOWER THAN 4Q OR LOWER THAN OUR EXPECTED. THE MIX IS BETTER, BUT YOU GO BACK TO THE WHOLE THING, THE BIG ONE IS STILL MANUFACTURING. MANUFACTURING, PRODUCTIVITY, BECAUSE THAT'S REALLY IS MY NIGHTMARE I THINK IN THE LAST SEVERAL QUARTERS, OR PROBABLY — LAST YEAR, THE WHOLE YEAR, I'M SAYING WE ARE FULLY — WE ARE NOT UTILIZED. WE ARE NOT FULLY UTILIZED. OUR CAPACITY UTILIZATION IS BAD. 1Q IS ACTUALLY — IS NOT AS GOOD BECAUSE OF THE CHINESE NEW YEAR HOLIDAYS.

Lena Zhang – ***Blaylock Robert Van – Analyst***

OKAY, THANK YOU. ALSO, WHAT WAS THE UTILIZATION RATES FOR Q1? WHAT IS YOUR EXPECTATION FOR Q2?

Keh-Shew Lu – ***Diodes Inc – President & CEO***

I DON'T THINK WE GIVE THAT NUMBER. WE DON'T GIVE THAT KIND OF NUMBER, OKAY?

Operator

(OPERATOR INSTRUCTIONS)

STEPHEN CHIN, UBS.

Stephen Chin – ***UBS – Analyst***

LET ME ALSO ADD MY CONGRATULATIONS ON THE ACQUISITION AND SOLID RESULTS. YES. I HAD A FEW QUESTIONS ON THE BCD ANALOG WAFER FAB TO KICK THINGS OFF. THEN A COUPLE ON THE DEMAND SIDE OF THINGS. WITH BCD'S ANALOG FAB, CAN YOU TALK A LITTLE BIT ABOUT SOME OF, THE I GUESS, COSTS OR MAYBE TECHNOLOGY ADVANTAGES THAT MIGHT GIVE YOU GUYS, ESPECIALLY AS YOU TALKED ABOUT CONVERTING SOME OF YOUR EXISTING ANALOG PRODUCTS FROM OUTSIDE ANALOG WAFER FOUNDRIES TO THE BCD INTERNAL PROCESS? CAN YOU TALK ABOUT THE TECHNOLOGY AND THE COST BENEFITS OF THAT?

Keh-Shew Lu – ***Diodes Inc – President & CEO***

OKAY. NUMBER ONE, BCD OBVIOUSLY LOCATED IN CHINA. IT'S WELL ROUNDED BY BCD. THEIR FAB 1 IS THE COST IS PRETTY — I WOULD SAY I'M VERY HAPPY WITH THEIR COST. SO AT MOST OUR ANALOG WAFER IS 6 INCH, SO BCD SAYS 6 INCH. THEREFORE, THEY DON'T HAVE ANY PENALTY OF THE 6 INCH, BUT BY LOCATING IN CHINA, WITH THE BCD TECHNOLOGY — THEY DO HAVE A VERY GOOD BCD PROCESS. THAT IS GOING TO HELP. SO FROM TECHNOLOGY POINT OF VIEW, THEY PROVIDE ME TO MOVE OUR ANALOG PRODUCT FROM OUR OUTSIDE SOME, OUR OUTSIDE FOUNDRY TO GO INTO OUR INTERNAL FAB WITH VERY EFFICIENT, VERY COST EFFECTIVE FAB. I'M HAPPY WITH THAT. THEY DO HAVE THE TECHNOLOGY FOR US TO UTILIZE THEIR CAPACITY.

Stephen Chin – ***UBS – Analyst***

OKAY.

Keh-Shew Lu – ***Diodes Inc – President & CEO***

IT CREATES OPPORTUNITY, ANOTHER THING WE CREATE OPPORTUNITY IS THEY ARE UNDER LOADED, OKAY? SO IF WE CAN START TO MOVE OUR STUFF OVER THERE, IT HELPS BOTH. THEIR COST WILL BE EVEN BETTER BECAUSE THEY ARE UNDER LOADED. WE CAN GET IT CHEAPER, BECAUSE THEY ARE VERY COST EFFECTIVE.

Mark King – ***Diodes Inc – SVP – Sales & Marketing***

STEVE, ONE OF OUR BIGGEST PART OF OUR MODELS IS MANUFACTURING MARGIN. (LAUGHTER) OKAY? SO THEY GIVE US A LOT OF — THE SAME LEVERAGES THAT WE HAD WITH OUR INTERNAL ASSEMBLY FROM A WAFER PERSPECTIVE. THERE'S NO FOUNDRY PROFIT IN THERE. SO THE FOUNDRIES WE DO BUSINESS WITH, HAVE TO MAKE A PROFIT.

Stephen Chin – ***UBS – Analyst***

GOT IT. THAT'S HELPFUL. THEN JUST ONE OTHER THING REALLY TO THAT ANALOG FAB. I THINK BEFORE THE DEAL CLOSED, I THINK BCD PREVIOUSLY COMMUNICATED THAT THE REVENUE CAPABILITY OF THAT NEW CAPACITY WAS SOMEWHERE I THINK IN THE $75 MILLION RANGE, IF I REMEMBER THAT CORRECTLY. I THINK THEY ALSO HAD SOME TARGETS, A TIME FRAME FOR WHEN THEY THINK THAT REVENUE LEVEL COULD BE ACHIEVABLE. IS THAT STILL THE CASE? IF SO AS YOU [PARSE IT] WAS THERE ANY EXPECTED BUSINESS THAT WAS IN THE PIPELINE FOR FILLING THE FAB? IF NOT, CAN ALL OF THE CURRENT ANALOG BUSINESS THAT DIODES HAD — THE EXISTING ORGANIC ANALOG BUSINESS THAT YOU GUYS HAVE, CAN THAT FILL THE MAJORITY OF THAT?

Keh-Shew Lu – ***Diodes Inc – President & CEO***

STEVE, I REALLY DON'T KNOW WHAT IS THEIR PREVIOUS ANNOUNCEMENT. WHATEVER YOU CALLED, I REALLY DON'T KNOW. BECAUSE, I DON'T PAY THAT MUCH ATTENTION TO THE PAST. OKAY? ALL I KNOW IS THEIR FAB 1 TODAY IS UNDER LOADED, IMPORTANT FOR ME IS LOADING TO HELP TO GET FAB 1 LOADED. NUMBER TWO, THEY ARE MOVING THEIR FAB 1 LOADING TO THEIR FAB 2 BECAUSE FAB 2 IS STARTED, AND THEY REALLY NEED TO GET FAB 2 RAMP UP AND GET LOADED, ESPECIALLY FAB 2 HAVE BETTER EQUIPMENT, BETTER PROCESS AND THEY CAN SUPPORT OUR CUSTOMERS BETTER. SO BASICALLY, WHAT WE WOULD REALLY DO IS MOVE SOME OF THE BCD HIGH-END PRODUCT INTO THE FAB 2 TO HELP THE FAB 2 LOADING. AT THE SAME TIME, WE ARE MOVING DIODES' PRODUCT, WHICH CAN BE LOADED IN FAB 1. WE ARE LOADING TO FAB 1. THIS IS GOING TO BE — EACH BENEFIT. NOW, IF FAB 1A, CURRENT EQUIPMENT FULLY LOADED, THEN I'M READY TO PUT ANOTHER FAB OF THE EQUIPMENT TO MAKE IT UP FAB 2A FULLY LOADED. SO FAB 2A CURRENTLY STILL DON'T HAVE ALL THE EQUIPMENT TO BE FULLY UTILIZED THAT SPACE. OKAY? BUT THEY DON'T NEED IT NOW. BUT WHEN FAB 2A START TO LOADING UP FULLY. THEN WE'LL PUT THE CAPITAL EQUIPMENT TO GET 2A FULLY LOADED. THEN LATER ON, IF THE BUSINESS IS STILL GOING UP, IF WE STILL NEED THE CAPACITY, THEN WE HAVE FAB 2B. WE CAN OPEN IT UP AND PUT THE CAPACITY IN THERE. SO YOU JUST PLAY AND STEP BY STEP AND LOOK AT THE LOADING, LOOK AT THE REQUIREMENT. REALLY LOOK AT HOW THE BUSINESS PROGRESS.

Stephen Chin – ***UBS – Analyst***

GOT IT. THAT'S VERY HELPFUL. I THANK YOU VERY MUCH FOR THAT COLOR. THEN, JUST LAST QUESTION, PROBABLY FOR MARK, ON THE DEMAND SIDE. JUST WANTED TO SEE IF MOST OF THE DISTRIBUTOR RELATED DEMAND THAT YOU'RE SEEING, IS THAT PURELY INVENTORY RESTOCKING? OR DO YOU ACTUALLY HAVE THE — HAVE SOME SENSE ON OR SOME COMMENTARY ON ACTUAL GROWTH IN END DEMAND THAT THE DISTRIBUTORS ARE SEEING?

Mark King – ***Diodes Inc – SVP – Sales & Marketing***

I THINK WE SAW GROWTH IN BOTH. ACTUALLY, THE POP GREW, SAY IN NORTH AMERICA AND EUROPE, FASTER THAN THE POS. BUT THE GROWTH RATES ON POS WERE VERY POSITIVE. THEY'RE COMING OFF VERY, VERY SOFT POP QUARTERS, THE LAST TWO QUARTERS. IT'S REQUIRED — THE INVENTORY LEVEL GOT TO A POINT WHERE IT REALLY REQUIRED THEM TO INVEST GREATER THAN POP. IT SHOULD LEVEL PRETTY GOOD BUT THE GROWTH RATE IN POS WAS QUITE IMPRESSIVE IN Q1 VERSUS Q4 AND EVEN Q1 OVER Q3.

Keh-Shew Lu – ***Diodes Inc – President & CEO***

OKAY. THANK YOU FOR YOUR PARTICIPATION TODAY. OPERATOR, YOU MAY NOW DISCONNECT.

Operator

LADIES AND GENTLEMEN, THAT DOES CONCLUDE TODAY'S CONFERENCE. THANK YOU FOR YOUR PARTICIPATION. YOU MAY NOW DISCONNECT. HAVE A GREAT DAY.