

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

APRIL 29, 2004

Date of Report (Date of earliest event reported)

DIODES INCORPORATED

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other
jurisdiction of
incorporation)

1-5740
(Commission File Number)

95-2039518
(I.R.S. Employer
Identification Number)

3050 EAST HILLCREST DRIVE
WESTLAKE VILLAGE, CALIFORNIA
(Address of principal executive offices)

91362
(Zip Code)

(805) 446-4800
(Registrant's telephone number, including area code)

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ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(C) EXHIBITS

Exhibit 99.1 - Press Release dated April 29, 2004

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On March 29, 2004, Diodes Incorporated issued a press release announcing first quarter 2004 earnings. A copy of the press release is attached as Exhibit 99.1.

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 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 1984, 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.

Dated: April 30, 2004

DIODES INCORPORATED

By /s/ Carl C. Wertz
CARL C. WERTZ
Chief Financial Officer

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
99.1	Press Release dated April 29, 2004

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FOR IMMEDIATE RELEASE

Diodes Incorporated Reports 41% Increase in Revenues
Resulting in Record First Quarter 2004 Earnings

o New product sales, strong markets drive 153% year-over-year net income growth

WESTLAKE VILLAGE, CALIFORNIA, APRIL 29, 2004 - Diodes Incorporated (NASDAQ: DIOD), a leading manufacturer and supplier of high quality discrete semiconductors, today reported record financial results for the first quarter of 2004 ended March 31, 2004.

FIRST QUARTER HIGHLIGHTS:

>> Revenue increased 40.7% year-over-year and 5.7% sequentially to a record \$41.4 million.
>> PowerDITM123 and SOT-563 product lines were launched.
>> Gross margin improved 130 basis points sequentially to 30.8%.
>> Net income increased 153% to a record \$4.9 million, or \$0.32 per share, up from \$1.9 million, or \$0.14 per share, in 1Q03.

Revenues for the first quarter of 2004 were a record \$41.4 million, a sequential increase of 5.7% from the fourth quarter of 2003, and an increase of 40.7% from the first quarter of 2003. Net income for the quarter increased 152.5% to \$4.9 million, compared to \$1.9 million for the three months ended March 31, 2003, and rose 41.3% sequentially. Diluted earnings per share were \$0.32 for the first quarter of 2004, as compared to \$0.14 for the same period last year.

Commenting on the quarter, C.H. Chen, President and CEO of Diodes Incorporated, said, "2004 is off to a very strong start, as reflected by our record first quarter results. We recently introduced two major new product lines that extend our drive to be an innovation leader for discrete devices. Sales of our existing value-added products continued to push Diodes' share of the addressable market to new highs and boost our gross margins. Given the robust pattern of bookings and brisk pace of design wins, we expect to build on this momentum over the course of 2004."

Diodes' revenue growth in the first quarter was driven by strong product demand, as well as sales of the Company's new industry-leading space and power saving subminiature devices. Powermite(R)3 sales continue to accelerate, driven by the notebook computer, automotive audio, DC/DC converter and MP3 player end-user categories. Geographically, demand remained strong in Asia and North America, which accounted for 58% and 39% of total revenues, respectively. And the Company continued to make inroads in Europe, which accounted for 3% of total revenues.

Gross profit for the first quarter of 2004 increased to \$12.8 million, or 30.8% of sales, compared to \$11.6 million, or 29.5% of sales, in the fourth quarter of 2003 and \$7.5 million, or 25.3%, in the first quarter of 2003. The 130 basis point sequential improvement in gross margin was due to manufacturing cost efficiencies and a more favorable product mix. With utilization running above 90% at Diodes-China, and near 90% at Diodes-FabTech, the Company continued to shift its manufacturing resources towards newer, higher-margin devices, and to invest in capacity expansion to meet market demand.

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"During the quarter, we introduced a new line of subminiature SOT-563 semiconductor components targeted to space-economizing devices including PDAs, MP3 players and portable handheld electronics. We added additional senior engineering talent to our R&D team. And we have an exciting product road map in place, with plans to introduce several new packaging platforms over the balance of 2004 that are smaller and more power-efficient and deliver higher performance than the legacy products they replace.

"In addition, we recently launched a line of discrete devices based on proprietary technology from our recently intensified research and development efforts. Our new PowerDITM123 high-density package is one of the most thermally efficient compact rectifier packages available on the market. Initial interest in the PowerDITM123 has been very strong and we expect to launch additional series of surge protectors and rectifiers based on this package in the coming months," added Chen.

For the quarter, SG&A expenses were \$5.5 million, or 13.3% of sales, as compared to \$4.2 million, or 14.4% of sales, in the comparable quarter last year. Research and development expenses climbed to \$748,000, or 1.8% of revenue, from \$346,000, or 1.2%, in the first quarter of 2003, as the Company continues to focus on bringing new products to market.

Operating income for the first quarter increased 118.5% to \$6.5 million, or 15.7% of sales, compared to \$3.0 million, or 10.1%, for the first quarter of 2003.

Interest expense declined to \$182,000 in the first quarter, from \$244,000 in the

year-ago quarter, aided by a \$5.8 million reduction in total debt over the period as well as lower interest rates.

Capital expenditures for the current quarter were \$3.3 million and depreciation expense was \$3.2 million. Given strong market demand, capital expenditures are expected to run between \$13-16 million for the full year as new products are brought into production.

At March 31, 2004, Diodes had \$10.5 million in cash, \$34.2 million in working capital, \$11.1 million in term debt, \$5.2 million outstanding on its revolving credit line, \$34.2 million in available credit facilities, and \$78.6 million in shareholders' equity. Cash flow from operations was \$4.4 million in the first quarter.

BUSINESS OUTLOOK

"Entering the second quarter, shipments and orders for delivery are strong in both Asia and North America, and our book-to-bill ratio is solidly above one. Order cycles are lengthening and distributor inventory remains at relatively low levels. Given these factors, we expect another quarter of record revenues with a 4-6% sequential increase, and a slight sequential expansion in gross margin with continued earnings per share improvement," Chen concluded.

CONFERENCE CALL

Diodes Incorporated will hold its fourth quarter conference call for all interested persons at 8 a.m. PST (11 a.m. EST) today to discuss its results. This conference call will be broadcast live over the Internet and can be accessed by all interested parties on the investor section of Diodes' website at WWW.DIODES.COM. To listen to the live call, please go to the Investor section of Diodes website and click on the Conference Call link at least fifteen 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 90 days.

ABOUT DIODES INCORPORATED

Diodes Incorporated (Nasdaq: DIOD) is a leading manufacturer and supplier of high-quality discrete semiconductor products, primarily to the communications, computing, industrial, consumer electronics and automotive markets. The Company operates three Far East subsidiaries, Diodes-China (QS-9000 and ISO-14001 certified) in Shanghai, Diodes-Taiwan (ISO-9000 certified) in Taipei, and Diodes-Hong Kong. Diodes-China's manufacturing focus is on subminiature surface-mount devices destined for wireless devices, notebook, flat panel display, digital camera, mobile handset, set-top box, DC to DC conversion, and automotive applications, among others. Diodes-Taiwan is

our Asia-Pacific sales, logistics and distribution center. Diodes-Hong Kong covers sales, warehouse and logistics functions. The Company's 5" wafer foundry, Diodes-FabTech (QS-9000 certified), specializes in Schottky products and is located just outside Kansas City, Missouri. The Company's ISO-9001:2000 corporate sales, marketing, engineering and logistics headquarters is located in Southern California. For further information, including SEC filings, visit the Company's website at 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. POTENTIAL RISKS AND UNCERTAINTIES INCLUDE, BUT ARE NOT LIMITED TO, SUCH FACTORS AS FLUCTUATIONS IN PRODUCT DEMAND, THE INTRODUCTION OF NEW PRODUCTS, THE COMPANY'S ABILITY TO MAINTAIN CUSTOMER AND VENDOR RELATIONSHIPS, TECHNOLOGICAL ADVANCEMENTS, IMPACT OF COMPETITIVE PRODUCTS AND PRICING, GROWTH IN TARGETED MARKETS, RISKS OF FOREIGN OPERATIONS, AND OTHER INFORMATION DETAILED FROM TIME TO TIME IN THE COMPANY'S FILINGS WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION.

Source: Diodes Incorporated
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e-mail: crocker.coulson@ccgir.com or Carl Wertz, Chief Financial Officer,
Diodes, Incorporated; (805) 446-4800 carl_wertz@diodes.com

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.

CONSOLIDATED CONDENSED INCOME STATEMENT AND BALANCE SHEET FOLLOWS

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(Unaudited)

	THREE MONTHS ENDED MARCH 31,	
	2003	2004
NET SALES	\$ 29,446,000	\$ 41,430,000
COST OF GOODS SOLD	21,985,000	28,680,000
Gross profit	7,461,000	12,750,000
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	4,233,000	5,491,000
RESEARCH AND DEVELOPMENT EXPENSES	346,000	748,000
LOSS (GAIN) ON SALE OF FIXED ASSETS	(88,000)	23,000
Total operating expenses	4,491,000	6,262,000
Operating income	2,970,000	6,488,000
OTHER INCOME (EXPENSE)		
Interest expense, net	(244,000)	(182,000)
Other	(89,000)	(147,000)
	(333,000)	(329,000)
Income from operations before income taxes and minority interest	2,637,000	6,159,000
INCOME TAX PROVISION	(617,000)	(1,160,000)
Income from operations before minority interest	2,020,000	4,999,000
MINORITY INTEREST IN JOINT VENTURE EARNINGS	(97,000)	(143,000)
NET INCOME	\$ 1,923,000	\$ 4,856,000
EARNINGS PER SHARE		
Basic	\$ 0.15	\$ 0.37
Diluted	\$ 0.14	\$ 0.32
WEIGHTED AVERAGE SHARES OUTSTANDING		
Basic	12,471,993	13,096,836
Diluted	13,727,244	15,286,416

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEET

ASSETS	DECEMBER 31, 2003	MARCH 31, 2004
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		(UNAUDITED)
CURRENT ASSETS		
Cash and cash equivalents	\$ 12,847,000	\$ 10,474,000
Accounts receivable		
Customers	27,010,000	27,804,000
Related parties	3,938,000	3,598,000
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	30,948,000	31,402,000
Less: Allowance for doubtful receivables	375,000	379,000
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	30,573,000	31,023,000
Inventories	16,164,000	17,992,000
Deferred income taxes, current	5,547,000	6,856,000
Prepaid expenses and other current assets	2,256,000	2,617,000
Prepaid income taxes	446,000	531,000
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Total current assets	67,833,000	69,493,000
PROPERTY, PLANT AND EQUIPMENT, at cost, net		
of accumulated depreciation and amortization	47,893,000	47,711,000
DEFERRED INCOME TAXES, non-current	1,816,000	1,524,000
OTHER ASSETS		
Goodwill	5,090,000	5,090,000
Other	1,163,000	1,099,000
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TOTAL ASSETS	\$ 123,795,000	\$ 124,917,000
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DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEET

LIABILITIES AND STOCKHOLDERS' EQUITY

	DECEMBER 31, 2003	MARCH 31, 2004
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		(UNAUDITED)
CURRENT LIABILITIES		
Line of credit	\$ 8,488,000	\$ 5,156,000
Accounts payable		
Trade	14,029,000	13,630,000
Related parties	3,453,000	4,063,000
Accrued liabilities	8,715,000	7,148,000
Current portion of long-term debt		
Related party	2,500,000	2,500,000
Other	3,333,000	2,500,000
Current portion of capital lease obligations	161,000	162,000
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Total current liabilities	40,679,000	35,159,000
LONG-TERM DEBT, net of current portion		
Related party	3,750,000	3,125,000
Other	3,000,000	3,000,000
CAPITAL LEASE OBLIGATIONS, net of current portion	2,334,000	2,279,000
MINORITY INTEREST IN JOINT VENTURE	2,582,000	2,724,000
STOCKHOLDERS' EQUITY		
Class A convertible preferred stock - par value \$1.00 per share; 1,000,000 shares authorized; no shares issued and outstanding	--	--
Common stock - par value \$0.66 2/3 per share; 30,000,000 shares authorized; 14,627,284 and 14,798,709 shares issued at December 31, 2003 and March 31, 2004, respectively	6,502,000	6,614,000
Additional paid-in capital	11,192,000	13,118,000
Retained earnings	55,779,000	60,635,000
	-----	-----
73,473,000		80,367,000
Less:		
Treasury stock - 1,613,508 shares of common stock, at cost	1,782,000	1,782,000
Accumulated other comprehensive loss (gain)	241,000	(45,000)
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2,023,000		1,737,000
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Total stockholders' equity	71,450,000	78,630,000
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 123,795,000	\$ 124,917,000
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