

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

February 3, 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)

Item 7. Financial Statements and Exhibits.

(c) Exhibits

Exhibit 99.1 – Press Release dated February 3, 2004

Item 12. Results of Operations and Financial Condition

On February 3, 2004, Diodes Incorporated issued a press release announcing fourth quarter and year-end 2003 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.

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: February 3, 2004

DIODES INCORPORATED

By:
/s/ Carl Wertz

CARL WERTZ

Chief Financial Officer

EXHIBIT INDEX

Exhibit

Number

Description

99.1 Press Release dated February 3, 2004



FOR IMMEDIATE RELEASE

Diodes Incorporated Reports Fourth Quarter 2003 Results with Record Revenue

- *New product sales, strong markets drive 52% year-over-year net income growth*

Westlake Village, California, February 3, 2004 – Diodes Incorporated (Nasdaq: DIOD), a leading manufacturer and supplier of high quality discrete semiconductors, today reported financial results for the fourth quarter and fiscal year 2003.

Fourth Quarter Highlights:

- Revenue increased 36.8% year-over-year and 12.2% sequentially to a record \$39.2 million
- New product revenue grew to 11.5% of sales, from 8.4% in the year-ago quarter
- Gross margin improved 330 basis points sequentially to 29.5%
- Net income increased 52% to \$3.4 million, or \$0.23 per share, up from \$2.3 million, or \$0.17 per share, in 4Q02

Revenues for the fourth quarter of 2003 were a record \$39.2 million, a sequential increase of 12.2% from the third quarter of 2003, and an increase of 36.8% from the fourth quarter of 2002. Net income for the quarter increased 52% to \$3.4 million.

For the full year 2003, the Company earned \$10.1 million, or \$0.70 per share, as revenues grew 18.2% to a record \$136.9 million, as compared to net income of \$5.8 million, or \$0.44 per share, on revenues of \$115.8 million for 2002.

Commenting on the quarter, C.H. Chen, President and CEO of Diodes Incorporated, said, "We are very pleased to deliver another quarter and year of outstanding top- and bottom-line results. Sales of new value-added products pushed Diodes' revenue growth in the fourth quarter was driven by strong sales in both Asia and North America, which accounted for 57% and 41% of total revenues, respectively, and vigorous demand for the Company's new industry-leading space.

"During the fourth quarter, adoption of our most advanced discretes and arrays broadened from Asia to the North American marketplace," Chen continued. "In Asia, we experienced very strong demand from the computing segment, where Diodes' revenue growth in the fourth quarter was driven by strong sales in both Asia and North America, which accounted for 57% and 41% of total revenues, respectively, and vigorous demand for the Company's new industry-leading space.

Overall, sales of new products in the quarter grew to 11.5% of total revenue, up from 8.4% in the fourth quarter of 2002. While total fourth quarter new product revenue was in-line sequentially, thus off slightly as a percentage of revenues from the fourth quarter of 2002.

Gross profit for the fourth quarter of 2003 increased to \$11.6 million, or 29.5% of sales, compared to \$9.2 million, or 26.2% of sales, in the third quarter of this year and \$7.4 million, or 25.9%, in the fourth quarter of 2002. The sequential inc

For the quarter, SG&A expenses were \$5.5 million as compared to \$3.8 million in the comparable quarter last year. In 2003, the Company has been expanding its sales and marketing footprint in both Asia and Europe and is providing increas

Operating margins, negatively impacted by a non-cash \$0.7 million reserve for asset valuation write-downs reflecting obsolete equipment that had not fully depreciated, decreased slightly to 11.7% in the fourth quarter, compared to 12.1% ge

Interest expense declined to \$0.2 million in the fourth quarter, from \$0.3 million in the year-ago quarter, aided by a \$5.8 million reduction in long-term debt as well as lower interest rates.

Capital expenditures and depreciation expense for the current quarter were \$4.0 million and \$2.9 million, respectively, while full-year 2003 capital expenditures and depreciation were \$15.7 million and \$11.1 million, respectively. Capital exp

At December 31, 2003, Diodes had \$12.8 million in cash and cash equivalents, \$27.2 million in working capital, \$12.6 million in long-term debt, \$8.5 million outstanding on its revolving credit line, \$30.7 million in available credit facilities,

Mr. Chen concluded, "Demand for discrete semiconductors is continuing to show strength globally. We believe that our disciplined focus on our key strategic initiatives has positioned Diodes to outpace the growth of the overall discrete marke

"Entering the first quarter, shipments and orders for delivery are strong in both Asia and North America and our book-to-bill ratio is above one. Order cycles are lengthening and inventory at our distributors remains low. Despite our record fo

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 intereste

ftware. 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 Comp

pany'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 headqua

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 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 adv Securities and Exchange Commission.

Source: Diodes Incorporated

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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 December 31,		Twelve Months Ended December 31,	
	2002	2003	2002	2003
Net sales	\$ 28,665,000	\$ 39,202,000	\$ 115,821,000	\$ 136,905,000
Cost of goods sold	21,238,000	27,643,000	89,045,000	100,377,000
Gross profit	7,427,000	11,559,000	26,776,000	36,528,000
Selling, general and administrative expenses	3,762,000	5,490,000	16,155,000	19,586,000
Research and development expenses	241,000	691,000	1,472,000	2,049,000
Impairment of fixed assets	--	700,000	--	1,000,000
Loss (gain) on disposal of fixed assets	(46,000)	93,000	217,000	37,000
Total operating expenses	3,957,000	6,974,000	17,844,000	22,672,000
Operating income	3,470,000	4,585,000	8,932,000	13,856,000
Other income (expense)				
Interest expense, net	(288,000)	(189,000)	(1,183,000)	(860,000)
Other	(39,000)	(32,000)	102,000	(5,000)
	(327,000)	(221,000)	(1,081,000)	(865,000)
Income from operations before income taxes and minority interest	3,143,000	4,364,000	7,851,000	12,991,000
Income tax provision	(780,000)	(775,000)	(1,729,000)	(2,460,000)
Income from operations before minority interest	2,363,000	3,589,000	6,122,000	10,531,000
Minority interest in joint venture earnings	(101,000)	(151,000)	(320,000)	(436,000)
Net income	\$ 2,262,000	\$ 3,438,000	\$ 5,802,000	\$ 10,095,000
Earnings per share				
Basic	\$ 0.18	\$ 0.27	\$ 0.47	\$ 0.79
Diluted	\$ 0.17	\$ 0.23	\$ 0.44	\$ 0.70
Weighted average shares outstanding				
Basic	12,309,954	12,954,320	12,276,899	12,730,808
Diluted	13,456,008	14,932,341	13,297,490	14,406,054

The accompanying notes are an integral part of these financial statements.

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEET

ASSETS	December 31, 2002	December 31, 2003
		(Unaudited)
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,284,000	\$ 12,847,000
Accounts receivable		
Customers	19,387,000	27,010,000
Related parties	3,138,000	3,938,000
	<u>22,525,000</u>	<u>30,948,000</u>
Less: Allowance for doubtful receivables	353,000	375,000
	<u>22,172,000</u>	<u>30,573,000</u>
Inventories	14,916,000	16,164,000
Deferred income taxes, current	4,338,000	5,547,000
Prepaid expenses, income taxes and other current assets	2,228,000	2,702,000
	<u>50,938,000</u>	<u>67,833,000</u>
PROPERTY, PLANT AND EQUIPMENT , at cost, net of accumulated depreciation and amortization	44,693,000	47,893,000
DEFERRED INCOME TAXES , non-current	3,205,000	1,816,000
OTHER ASSETS		
Goodwill	5,090,000	5,090,000
Other	1,084,000	1,163,000
	<u>105,010,000</u>	<u>123,795,000</u>
TOTAL ASSETS	\$ 105,010,000	\$ 123,795,000

The accompanying notes are an integral part of these financial statements.

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEET

LIABILITIES AND STOCKHOLDERS' EQUITY

	December 31, 2002	December 31, 2003
		(Unaudited)
CURRENT LIABILITIES		
Line of credit	\$ 3,025,000	\$ 8,488,000
Accounts payable		
Trade	9,039,000	14,029,000
Related parties	3,361,000	3,453,000
Accrued liabilities	8,693,000	8,715,000
Current portion of long-term debt		
Related party	2,500,000	2,500,000
Other	3,333,000	3,333,000
Current portion of capital lease obligations	157,000	161,000
Total current liabilities	30,108,000	40,679,000
LONG-TERM DEBT , net of current portion		
Related party	6,250,000	3,750,000
Other	6,333,000	3,000,000
CAPITAL LEASE OBLIGATIONS , net of current portion	2,495,000	2,334,000
MINORITY INTEREST IN JOINT VENTURE	2,145,000	2,582,000
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; 13,939,146 and 14,627,284 shares issued at December 31, 2002 and December 31, 2003, respectively	6,195,000	6,502,000
Additional paid-in capital	8,060,000	11,192,000
Retained earnings	45,684,000	55,779,000
	<u>59,939,000</u>	<u>73,473,000</u>
Less:		
Treasury stock - 1,613,508 shares of common stock, at cost	1,782,000	1,782,000
Accumulated other comprehensive loss	478,000	241,000
	<u>2,260,000</u>	<u>2,023,000</u>
Total stockholders' equity	57,679,000	71,450,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 105,010,000	\$ 123,795,000

The accompanying notes are an integral part of these financial statements.

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