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, 2011
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, 2011, Diodes Incorporated (the "Company") issued a press release announcing its first quarter 2011 financial results. A copy of the press release is attached as Exhibit 99.1.

On May 9, 2011, the Company hosted a conference call to discuss its first quarter 2011 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, 2011, 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, and that we are obligated to provide, 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, for a description of the non-GAAP measures used.

Item 7.01 Regulation FD Disclosure.

The press release in Exhibit 99.1 also provides an update on the Company's business outlook.

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.

Dated: May 13, 2011	DIODES INCORPORATED
	By /s/ Richard D. White
	RICHARD D. WHITE
	Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press release dated May 9, 2011
99.2	Conference call script dated May 9, 2011
99.3	Question and answer transcript dated May 9, 2011

Exhibit 99.1

Diodes Incorporated Reports First Quarter 2011 Financial Results

Continues Market Share Gains and Achieves Better than Seasonal Results

Plano, Texas – May 9, 2011 – 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, 2011.

First Quarter Highlights

- Revenue was $161.6 million, an increase of 18 percent over the $136.8 million in the first quarter of 2010, and a decrease of 1 percent from the $163.8 million in the fourth quarter of 2010;
- Gross profit was $57.4 million, an increase of 20 percent over the $47.8 million in the first quarter of 2010, and a decrease of 8 percent from the $62.6 million in the fourth quarter 2010;
- Gross profit margin was 35.5 percent, compared to 34.9 percent in the first quarter 2010 and 38.3 percent in the fourth quarter 2010;
- GAAP net income was $19.7 million, or $0.42 per diluted share, compared to first quarter of 2010 GAAP net income of $15.0 million, or $0.33 per diluted share, and fourth quarter of 2010 GAAP net income of $24.0 million, or $0.52 per diluted share;
- Non-GAAP adjusted net income was $21.8 million, or $0.47 per diluted share, compared to first quarter 2010 adjusted net income of $15.7 million, or $0.35 per diluted share, and fourth quarter 2010 adjusted net income of $25.3 million, or $0.55 per diluted share;
- Excluding $2.1 million of share-based compensation expense, both GAAP and non-GAAP adjusted net income would have increased by $0.04 per diluted share; and
- Achieved $15.7 million cash flow from operations, $7.8 million net cash flow and $3.3 million free cash flow.

Commenting on the results, Dr. Keh-Shew Lu, President and Chief Executive Officer of Diodes Incorporated, stated, "Our revenue for the quarter was stronger than typical first quarter seasonal patterns, resulting from market share gains in tablets, notebooks, smartphones and LED TVs. We had a strong quarter in Europe and Asia, while North America revenue declined sequentially. The quarter was impacted by reduced unit output from our Shanghai packaging facilities resulting from lower equipment utilization caused by China labor shortages mentioned last quarter and a larger than normal number of workers not returning from the Chinese New Year holiday. We shipped from finished goods inventory and reduced our contract assembly commitments, which allowed us to achieve sequential revenue growth in our core business. Gross margin for the quarter reflects reduced fixed cost coverage caused by the lower unit output. We continue hiring manufacturing operators to ensure maximum equipment utilization by matching fully-trained manpower with the available equipment. Overall, I am pleased with our results as we continue to execute on our profitable growth model, new product initiatives and design win traction, which will contribute to our growth in the coming quarter and year."

First Quarter 2011

Revenue for the first quarter of 2011 was $161.6 million, an increase of 18 percent over the $136.8 million in the first quarter of 2010, and a decrease of 1 percent over $163.8 million in the fourth quarter of 2010. Revenue in the quarter was stronger than typical seasonal patterns, resulting from market share gains in tablets, notebooks, smartphones and LED TV's.

Gross profit for the first quarter of 2011 was $57.4 million, or 35.5 percent of revenue, compared to $47.8 million, or 34.9 percent, in the first quarter of 2010 and $62.6 million, or 38.3 percent of revenue, in the fourth quarter of 2010. The sequential decline in gross profit margin was primarily due to manpower shortages at the Company's packaging facilities, which resulted in lower equipment utilization and reduced fixed cost coverage.

First quarter of 2011 GAAP net income was $19.7 million, or $0.42 per diluted share, compared to GAAP net income of $15.0 million, or $0.33 per diluted share, in the first quarter of 2010 and GAAP net income of $24.0 million, or $0.52 per diluted share, in the fourth quarter of 2010.

Non-GAAP adjusted net income for the first quarter of 2011 was $21.8 million, or $0.47 per diluted share, which excluded, net of tax, $1.3 million of non-cash interest expense related to the amortization of debt discount on the Convertible Senior Notes and $0.8 million of non-cash acquisition related intangible asset amortization costs, compared to adjusted net income of $15.7 million, or $0.35 per diluted share, in the first quarter of 2010 and adjusted net income of $25.3 million, or $0.55 per diluted share, in the fourth quarter of 2010. The following is a summary reconciliation of GAAP net income to non-GAAP adjusted net income and per share data, net of tax (*in thousands, except per share data):*

	Three Months Ended March 31, 2011
GAAP net income	**$ 19,684**
GAAP diluted earnings per share	**$ 0.42**
Adjustments to reconcile net income to adjusted net income:	
Amortization of acquisition related intangible assets	**817**
Amortization of debt discount	**1,290**
Non-GAAP adjusted net income	**$ 21,791**
Non-GAAP adjusted diluted earnings per share	**$ 0.47**

See tables below for further details of the reconciliation.

Included in first quarter 2011 GAAP and non-GAAP adjusted net income was approximately $2.1 million, net of tax, non-cash share-based compensation expense. Excluding this expense, both GAAP and non-GAAP adjusted diluted EPS would have increased by an additional $0.04 per diluted share.

EBITDA, which represents earnings before net interest expense, income tax provision, depreciation and amortization, for the first quarter of 2011 was $41.1 million, compared to $32.9 million for the first quarter of 2010 and $46.3 million for the fourth quarter of 2010. For a reconciliation of GAAP net income to EBITDA, see table below.

As of March 31, 2011, Diodes had approximately $279 million in cash and cash equivalents and approximately $130 million of Convertible Senior Notes outstanding.

Business Outlook

Dr. Lu concluded, "For the second quarter of 2011, we expect to achieve growth over the first quarter and further expand our market share as a result of our continued focus on design wins, new products and customer expansion. We expect revenue for the second quarter of 2011 to range between $170 million and $178 million, an increase of 5 to 10 percent sequentially. We expect gross margin to be comparable to the first quarter. Operating expenses are expected to be down slightly from the first quarter levels on a percent of revenue basis. We expect our income tax rate to range between 17 and 23 percent. Shares used to calculate GAAP EPS for the second quarter are anticipated to be approximately 47.5 million."

Conference Call

Diodes will host a conference call on Monday, May 9, 2011 at 4:00 p.m. Central Time (5:00 p.m. Eastern Time) to discuss its first quarter 2010 financial results. Investors and analysts may join the conference call by dialing 1-866-202-3109 and providing the confirmation code 18938498. International callers may join the teleconference by dialing 1-617-213-8844. A telephone replay of the call will be made available approximately two hours after the call and will remain available until May 12, 2011 at midnight Central Time. The replay number is 1-888-286-8010 with a pass code of 10528443. 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 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 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, 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. The Company's 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. The Company's wafer fabrication facilities are located in Kansas City, Missouri and Manchester, with two manufacturing facilities located in Shanghai, China, another in Neuhaus, and a joint venture facility located in Chengdu, China. Additional engineering, sales, warehouse, and logistics offices are located in Taipei; Hong Kong; Manchester; and Munich, Germany; with support offices located throughout the world. For further information, including SEC filings, visit the Company's 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: we continue hiring manufacturing operators to ensure maximum equipment utilization by matching fully-trained manpower with the available equipment; overall, I am pleased with our results as we continue to execute on our profitable growth model, new product initiatives and design win traction, which will contribute to our growth in the coming quarter and year; for the second quarter of 2011, we expect to achieve growth over the first quarter and further expand our market share as a result of our continued focus on design wins, new products and customer expansion; we expect revenue for the second quarter of 2011 to range between $170 million and $178 million, an increase of 5 to 10 percent sequentially; we expect gross margin to be comparable to the first quarter; operating expenses are expected to be down slightly from the first quarter levels on a percent of revenue basis; we expect our income tax rate to range between 17 and 23 percent; and shares used to calculate GAAP EPS for the second quarter are anticipated to be approximately 47.5 million. Potential risks and uncertainties include, but are not limited to, such factors as: 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 and our joint venture prospects; 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 the Company's 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, 2011	Three Months Ended March 31, 2010
NET SALES	$161,555	$136,847
COST OF GOODS SOLD	104,162	89,064
Gross profit	57,393	47,783
OPERATING EXPENSES		
Selling, general and administrative	21,410	21,419
Research and development	6,518	6,376
Amortization of acquisition related intangible assets	1,135	1,128
Total operating expenses	29,063	28,923
Income from operations	28,330	18,860
OTHER INCOME (EXPENSES)		
Interest income	221	1,312
Interest expense	(934)	(1,982)
Amortization of debt discount	(1,984)	(1,834)
Other	(534)	2,648
Total other income (expenses)	(3,231)	144
Income before income taxes and noncontrolling interest	25,099	19,004
INCOME TAX PROVISION	4,835	3,324
NET INCOME	20,264	15,680
Less: NET INCOME attributable to noncontrolling interest	(580)	(722)
NET INCOME attributable to common stockholders	$ 19,684	$ 14,958
EARNINGS PER SHARE attributable to common stockholders		
Basic	$ 0.44	$ 0.34
Diluted	$ 0.42	$ 0.33
Number of shares used in computation		
Basic	44,820	43,767
Diluted	46,680	45,323

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

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

For the three months ended March 31, 2011:

	Operating Expenses	Other Income (Expense)	Income Tax Provision	Net Income
GAAP				$ 19,684
Earnings per share (GAAP)				
Diluted				$ 0.42
Adjustments to reconcile net income to adjusted net income:				
Amortization of acquisition related intangible assets	1,135	—	(318)	817
Amortization of debt discount	—	1,984	(694)	1,290
Adjusted (Non-GAAP)				$ 21,791
Diluted shares used in computing earnings per share				46,680
Adjusted earnings per share (Non-GAAP)				
Diluted				$ 0.47

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 this expense, both GAAP and non-GAAP adjusted diluted EPS would have increased by an additional $0.04 per share.

For the three months ended March 31, 2010:

	Operating Expenses	Other Income (Expense)	Income Tax Benefit	Net Income
GAAP				$ 14,958
Earnings per share (GAAP)				
Diluted				$ 0.33
Adjustments to reconcile net income to adjusted net income:				
Amortization of acquisition related intangible assets	1,128	—	(316)	812
Amortization of debt discount	—	1,834	(715)	1,119
Gain on sale of assets	—	(1,837)	661	(1,176)
Adjusted (Non-GAAP)				$ 15,713
Diluted shares used in computing earnings per share				45,323
Adjusted earnings per share (Non-GAAP)				
Diluted				$ 0.35

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 this expense, both GAAP and non-GAAP adjusted diluted EPS would have increased by an additional $0.05 per share.

ADJUSTED NET INCOME

This measure consists of generally accepted accounting principles ("GAAP") net income, which is then adjusted solely for the purpose of adjusting for amortization of acquisition related intangible assets, amortization of debt discount, and gain on sale of assets, as discussed below. Excluding 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 and amortization of debt discount 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. 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.

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.

Amortization of debt discount – The Company excluded the amortization of debt discount on its 2.25% Convertible Senior Notes ("Notes"). This amortization was excluded from management's assessment of the Company's core operating performance. Although the amortization of debt discount is recurring in nature, the expected life of the Notes is five years as that is the earliest date in which the Notes can be put back to the Company at par value. The amortization period ends October 1, 2011, at which time the Company will no longer be recording an amortization of debt discount. In addition, the Company has repurchased some of its Notes, which can make the principal amount outstanding and related amortization vary from period to period, and as such the Company believes the exclusion of the amortization facilitates comparisons with the results of other periods that may reflect different principal amounts outstanding and related amortization.

Gain on sale of assets – The Company excluded the gain recorded for the sale assets. During the first quarter of 2010, the Company sold assets located in Germany and this gain was excluded from management's assessment of the Company's core operating performance. 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

This non-GAAP financial measure is the portion of the Company's GAAP net income assigned to each share of stock, excluding amortization of acquisition related intangible assets, amortization of debt discount and gain on sale of assets, as described above. Excluding 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, as described in further detail above. Excluding the amortization of acquisition related intangible assets and amortization of debt discount 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.

FREE CASH FLOW (FCF)

FCF of $3.3 million for the first quarter of 2011 is a non-GAAP financial measure, which is calculated by taking cash flow from operations less capital expenditures ($15.7 million less (-) $12.4 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 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. 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 to EBITDA *(in thousands, unaudited):*

	Three Months Ended March 31,	
	2011	**2010**
Net income (GAAP)	$ 19,684	$14,958
Plus:		
Interest expense, net (1)	2,697	2,504
Income tax provision	4,835	3,324
Depreciation and amortization	13,923	12,069
EBITDA (Non-GAAP)	$ 41,139	$32,855

(1) Includes $2.0 million and $1.8 million for the three months ended March 31, 2011 and 2010, respectively, of amortization of debt discount.

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS

ASSETS
(in thousands)

	March 31, 2011 (Unaudited)	December 31, 2010
CURRENT ASSETS		
Cash and cash equivalents	$ 278,740	$ 270,901
Accounts receivable, net	145,091	129,207
Inventories	123,086	120,689
Deferred income taxes, current	8,102	8,276
Prepaid expenses and other	13,994	11,679
Total current assets	569,013	540,752
PROPERTY, PLANT AND EQUIPMENT, net	207,336	200,745
DEFERRED INCOME TAXES, non current	1,380	1,574
OTHER ASSETS		
Goodwill	69,636	68,949
Intangible assets, net	28,156	28,770
Other	6,277	5,760
Total assets	$881,798	$ 846,550

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS

LIABILITIES AND EQUITY
(in thousands, except share data)

	March 31, 2011 (Unaudited)	December 31, 2010
CURRENT LIABILITIES		
Accounts payable	$ 74,069	$ 70,057
Accrued liabilities	36,154	36,937
Income tax payable	13,917	15,412
Convertible senior notes	130,245	128,261
Other current liabilities	704	698
Total current liabilities	255,089	251,365
LONG-TERM DEBT, net of current portion	3,258	3,393
CAPITAL LEASE OBLIGATIONS, net of current portion	1,302	1,380
OTHER LONG-TERM LIABILITIES	31,093	37,520
Total liabilities	290,742	293,658
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; 45,065,250 and 44,662,796 issued and outstanding at March 31, 2011 and December 31, 2010, respectively	30,044	29,775
Additional paid-in capital	237,435	231,842
Retained earnings	344,591	324,907
Accumulated other comprehensive loss	(33,042)	(45,080)
Total Diodes Incorporated stockholders' equity	579,028	541,444
Noncontrolling interest	12,028	11,448
Total equity	591,056	552,892
Total liabilities and equity	$ 881,798	$ 846,550

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 2011 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 followed by the zero on your touchtone phone.

As a reminder, this conference call is being recorded today, Monday, May 9, 2011. I would now like to turn the call 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 2011 earnings 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, 2011.** 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 net income to non-GAAP adjusted net income and GAAP net income to EBITDA, 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.

Our revenue for the quarter was stronger than typical first quarter seasonal patterns. We continued to achieve market share gains as we expanded our content at key customers; specifically in tablets, notebooks, smartphones and LED TVs. We had a strong quarter in Europe and Asia, while North America revenue declined sequentially. The quarter was impacted by reduced unit output from our Shanghai packaging facilities resulting from lower equipment utilization caused by China labor shortages mentioned last quarter and a larger than normal number of workers not returning from the Chinese New Year holiday. We shipped from finished goods inventory and reduced our contract assembly commitments, which allowed us to achieve sequential revenue growth in our core business. Gross margin for the quarter reflects reduced fixed cost coverage caused by the lower unit output. We continue hiring manufacturing operators to ensure maximum equipment utilization by matching fully-trained manpower with the available equipment. It will require additional time to properly train these individuals, but we expect the labor situation to be resolved during the second quarter and anticipate gross margin will be comparable to the first quarter.

Overall, I am pleased with our results in the first quarter, and we expect to achieve growth in the second quarter with revenue anticipated to increase 5 to 10 percent as we continue to execute on our new product initiatives, design win traction and market share gains.

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

Rick White, CFO

Thanks, Dr. Lu, and good afternoon everyone.

Revenue for the first quarter of 2011 was $161.6 million, an increase of 18 percent over the $136.8 million in the first quarter of 2010, and a decrease of 1 percent from $163.8 million in the fourth quarter of 2010. As Dr. Lu mentioned, revenue in the quarter was stronger than typical seasonal patterns.

Gross profit for the first quarter was $57.4 million, or 35.5 percent of revenue, compared to $47.8 million, or 34.9 percent, in the first quarter of 2010 and $62.6 million, or 38.3 percent of revenue, in the fourth quarter of 2010. The sequential decline in gross margin was primarily due to the previously mentioned manpower shortages at our China packaging facilities, which resulted in lower equipment utilization and reduced fixed cost coverage.

Total **operating expenses** for the first quarter were $29.1 million, or 18 percent of revenue, which was better than our guidance and an improvement from the 18.6 percent of revenue last quarter.

Looking specifically at **Selling, General and Administrative** expenses for the first quarter, SG&A was approximately $21.4 million, or 13.3 percent of revenue, which is an improvement from the $23.1 million, or 14.1 percent, last quarter and the 15.7 percent of revenue in the first quarter of 2010.

Investment in Research and Development for the first quarter was $6.5 million, or 4 percent of revenue, a slight increase compared to $6.2 million, or 3.8 percent of revenue, in the fourth quarter.

Total Other Expense amounted to $3.2 million for the first quarter.

Looking at interest income and expense, we had approximately $220,000 of interest income and approximately $930,000 of interest expense primarily related to our Convertible Senior Notes.

During the first quarter, we recorded approximately $2 million of non-cash, amortization of debt discount related to the U.S. GAAP requirement to separately account for a liability and equity component of our Convertible Senior Notes.

Income Before Income Taxes and Noncontrolling Interest in the first quarter amounted to $25.1 million, compared to income of $19 million in the first quarter of 2010 and $31.1 million in the fourth quarter of 2010.

Turning to **income taxes**, our effective income tax rate in the first quarter was 19.3 percent, which was within our guidance range of 17 to 23 percent.

GAAP net income for the first quarter was $19.7 million, or $0.42 per diluted share, compared to GAAP net income of $15 million, or $0.33 per diluted share, in the first quarter of 2010 and GAAP net income of $24 million, or $0.52 per diluted share, in the fourth quarter of 2010. The share count used to compute GAAP diluted earnings per share for the first quarter was 46.7 million shares.

First quarter **Non-GAAP adjusted net income** was $21.8 million, or $0.47 per diluted share, which excluded, net of tax, $1.3 million of non-cash interest expense related to the amortization of debt discount on the Convertible Senior Notes and $800,000 of non-cash acquisition related intangible asset amortization costs. We have included in our earnings release a reconciliation of GAAP net income 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 this expense, both GAAP and non-GAAP adjusted diluted EPS would have increased by an additional $0.04 per share.

Cash flow from operations for the first quarter was $15.7 million, net cash flow was $7.8 million and free cash flow was $3.3 million.

Turning to the **balance sheet**, at the end of the first quarter, we had approximately $279 million in cash. Our working capital at quarter-end was approximately $314 million. We had approximately $255 million in current liabilities, of which approximately $130 million related to our Convertible Senior Notes, which are redeemable in October 2011.

At the end of the first quarter, inventory was approximately $123 million, an increase of $2 million from the fourth quarter. This increase was due to a $7 million increase in Raw Materials, a $3 million increase in Work in Process and an $8 million decrease in Finished Goods. Inventory days were 105, compared to 104 days in the fourth quarter of 2010.

Accounts receivable was approximately $145 million and A/R days were 76.

Excluding the Chengdu site expansion, **Capital expenditures** were $17.7 million during the first quarter, or 11 percent of revenue, compared to 8.8 percent of revenue in the fourth quarter. As we mentioned last quarter, we expect CapEx for 2011 to remain within our targeted range of 10 to 12 percent of revenue, not including the Chengdu site expansion.

Depreciation and amortization expense for the first quarter was $13.9 million.

Turning to our Outlook...

In terms of second quarter guidance, we expect revenue to range between $170 million and $178 million, an increase of 5 to 10 percent sequentially. We expect gross margin to be comparable to the first quarter. Operating expenses are expected to be down slightly from the first quarter levels on a percent of revenue basis. We expect our income tax rate to range between 17 and 23 percent. Shares used to calculate GAAP EPS for the second quarter are anticipated to be approximately 47.5 million.

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.

As Dr. Lu mentioned, we achieved better than seasonal revenue in the first quarter due to strong direct sales driven by new design wins and market share gains at key customers in the consumer and computing segments. In particular, we saw increases in LED TV, smartphones and tablets with smaller than expected declines in notebook due to customer mix and increasing share on several new products. Distributor POP was down 6 percent sequentially as we directed product to support these key product and key customer Q1 ramps. Global channel inventory was up 3 percent and is at a traditional 3 months. Distributor POS was up 2 percent in the quarter. Our gross margin was pressured during the quarter by lower unit output resulting from the China labor shortages discussed previously, but mix and new product momentum remains on track. Additionally, design win activity remains at very high levels not only in terms of quantity, but more importantly quality, as we continue to gain traction on our new product releases.

Our end market breakout consisted of consumer representing 31 percent of revenue, computing 28 percent, industrial 20 percent, communications 17 percent, and automotive 4 percent.

In terms of **Global Sales**, Asia represented 73 percent of revenue, Europe 15 percent and North America 12 percent. Europe was a highlight in the quarter with increases specifically in automotive and consumer. Momentum is strong across all regions going into the second quarter.

Now turning to **new products** — Overall market share continues to grow as a result of our new product initiatives. We achieved record revenue for our MOSFET products on the discrete side and USB power switches on the analog side.

Beginning with our **discrete** business, during the quarter we released 41 new discrete products across 6 product families. MOSFET design wins and in-process design activity has been unprecedented. We had 20 design wins at key customers for end equipment including set-top boxes, DC to DC converters, tablets, multiple smartphones, printers and a new game console accessory. In terms of new product introductions, we expanded our innovative DFN1006 MOSFET portfolio with the introduction of 5 new devices. We already have major design wins on 3 of these devices and production orders on 2. Additionally, we added 3 dual SO8 MOSFETs, which were developed specifically for the motor control market and are also being optimized for use in brushless DC motor applications. We also introduced 9 new devices with equivalent specifications to competitor parts targeted at opportunities for gaining sockets at key customers. Delivery of standard products is a core competency of Diodes, and the competitive landscape on MOSFET products represents a key opportunity for revenue and margin expansion for Diodes in the future.

Our discrete business was also supported by solid new product revenue increases for our multi-chip Array products, or ASMCC, with 1 standard and 2 customer specific devices moving from design win to production in the first quarter. We also secured design wins on 4 devices for applications including display module, electronic metering and automotive. Additionally, we continued to see strong momentum for our SBR ® family of products during the quarter.

In terms of **analog** new product introductions, we released 61 new devices across 7 product families. As I mentioned previously, our USB power switch revenue and overall market share continues to grow with design win activity very strong for these products. We also completed our automotive qualification on our ZXLD1370 and 1374 LED drivers announced last quarter, which are designed to increase the performance of high brightness automotive, industrial and commercial lighting systems. We also introduced Diodes' first offline LED driver that is capable of driving LEDs directly from 110 or 220 volts. This product is suitable for a wide range of commercial and industrial lighting applications including fluorescent tube replacement, LED lamps and industrial signage. Its separate linear and PWM inputs allow for a simple means of providing LED dimming capabilities. Sample activity and customer interest on this device is very high.

Also during the quarter, voltage reference designs showed strong revenue increases in both the portable and communications markets. We introduced a dedicated voltage protection interface IC designed to protect the latest generation of power management ICs (PMIC) against overvoltages in applications such as, smartphones, tablets and other portable products utilizing battery power. This was a customer-sponsored development program that has broad market appeal. Also as a demonstration of our ability to leverage Zetex's leadership in voltage regulation, we introduced the ZXRE060, which is a 5 terminal adjustable regulator with excellent temperature and stability output handling capabilities in low voltage designs. This product is ideal for state-of-the-art microprosser and DSP POL converters. This product line expansion was driven by a customer request to address the size constraints of today's portable products. We have secured multiple designs wins and already have production orders. This is just one example of the many cross selling opportunities from our Zetex acquisition, which continues to drive expanded offerings and market share for Diodes.

Furthermore, we also continued to make progress on expanding our **logic** product line. During the quarter, we introduced a complete line of advanced high speed CMOS logic devices offering power dissipation and switching speed improvements over existing alternatives. We also expanded our portfolio of LVC logic devices with 8 single gate logic functions in a miniature 6-pin DFN1010 package. This latest addition to the logic family provides space-saving opportunities for the smallest of handheld devices, including smartphones, tablet computers, e-readers, satellite navigation systems, cameras, and handheld games. Customer sampling and design-in process has already begun on these devices.

In summary, we feel positive about Diodes' position in the market and our opportunities for further growth in 2011. There continues to be improvements in demand and orders as we execute on our new product initiatives and ramp production of previous design wins at new and existing accounts. We have solid momentum across all geographic regions going into the second quarter and are focused on ramping output at our packaging facilities as we work to maximize equipment utilization. We look forward to reporting our further progress on next quarter's call.

With that, I'll open the call for questions – Operator?

Upon Completion of the Q&A...

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

DIODES 1Q11 EARNINGS CALL
QUESTION AND ANSWER

Operator

(Operator Instructions) Steve Smigie with Raymond James.

Steven Smigie - ***Raymond James & Associates – Analyst***

Great. Thanks a lot. Congratulations, guys, on another set of solid revenue and EPS numbers. Along those lines, I appreciate the 2Q guidance. I'm just curious with the strength you're seeing here in terms of the design wins, any reason not to think that as we look out to September that we wouldn't also see at least a seasonal September, potentially maybe a little bit better, as well?

Mark King - ***Diodes, Inc. – SVP, Sales and Marketing***

I don't think it's really that we really ever go out that far. I think we're pretty consistent that we thought 2011 would be a pretty solid year for growth but I think we would like to stay focused in on Q2.

Steven Smigie - ***Raymond James & Associates – Analyst***

Okay, well I apologize, this is a Q3 question, as well. But on the gross margin, part of, I think, what happened with the flat gross margin guidance here was you indicated that you didn't have quite the utilization levels that you're anticipating due to the people not coming back after Chinese New Year. Since you'll probably have a full quarter of full utilized, or near full quarter of full utilized, in Q2, would that suggest as we look out to Q3 that you might see a little bit better gross margin in Q3 or are there other mix and other issues that offset that?

Keh-Shew Lu - ***Diodes, Inc. – President and CEO***

Steve, you know our strategy is we prefer growth over just GPM percent. So if we have opportunity to grow, as soon as they're within our model, you know our model is 35%. If we can get above 35% we'll go after the growth, because most important is that GPM is a gross profit GPM dollar, not GPM percent. So we don't really talking about third quarter yet, but if I have opportunity to grow, I prefer growth.

Steven Smigie - ***Raymond James & Associates – Analyst***

Okay. Last question was just with regard to operating expenses. I would have thought R&D might have jumped up to 4% or something like that, and it came up a little bit but it seems relatively constrained. So are you guys doing, it seems like you're doing a pretty good job of keeping costs under control there, also on the SG&A line. Would we expect you guys to continue to have, as a percentage, SG&A and R&D maybe flat to slightly down going forward as well?

Keh-Shew Lu - ***Diodes, Inc. – President and CEO***

Yes, that's our business model anyway. You remember, I keep talking about we keep the R&D as the same percentage as our revenue growth, but SG&A, we tried to control it to only allow probably half of the growth of the revenue. Therefore, at the end, our operational expense, R&D plus SG&A as a percentage, will continue going down. I'm very happy with 1Q because 1Q even our revenue going down 1%, we are able to get our operational expense as a percentage continue going down.

Operator

Shawn Harrison with Longbow Research.

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

I wanted to just maybe get your commentary on the pricing environment, through the March quarter and into the June quarter. It seems, the best way to describe it is somewhat benign but if you could just talk about the pricing environment, if it's less competitive than normal right now.

Mark King - ***Diodes, Inc. – SVP, Sales and Marketing***

Yes, I would say it's pretty benign, as you said. I think that the regular part of your focus product still remain relatively competitive and I think we'll see typical ASP declines. I think in some of the standard products and the more commodity-based products I think pricing is quite stable. And depending on the traction of the year might present some opportunities later in the year to increase.

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

And as a follow-up to that, you may see a price increase later in the year just because of the tightness on some of these products?

Mark King - ***Diodes, Inc. – SVP, Sales and Marketing***

Yes, I think some of the commodities are going to be under pressure for some period of time, but again, it all depends on how it goes. But I think that they're pretty stable at this point.

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

Okay. And correct me if I'm wrong but last year, it seems as if Diodes went after market share more than price and so that would be the expectation going forward if we were in that type of environment, correct?

Mark King - ***Diodes, Inc. – SVP, Sales and Marketing***

Yes, it depends on how much pressure there is on those commodity devices on where we stand, but we generally are in a position, we put a high value on growth and a high value on capturing share and expanding our business base with customers. So we generally like to have people move to our price. We're not always the lowest price guy out there. We would rather see the customer move back up to our price and then accept more share than to be raising prices to our customers all the time. Customers generally don't enjoy that phenomenon too much.

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

That's more than fair. And then my follow-up question, will Diodes be shipping out of inventory again during the June quarter? Or will you have the packaging issues fixed early enough during the quarter that you won't have to ship out of inventory again?

Keh-Shew Lu - ***Diodes, Inc. – President and CEO***

We really at this moment, we don't know, okay? In the earlier quarter, we did some, but we believe we will make it up in May, especially in June. So very difficult to, at this moment, to tell you one way or the other.

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

If you make it up in May or June, shouldn't you see maybe some better overhead absorption because of that?

Keh-Shew Lu - ***Diodes, Inc. – President and CEO***

Yes, you're more talking about GPM percent, correct?

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

Yes, just trying to get back to that but if you're going to be making it up, you may see a little bit better overhead absorption as you exit the quarter. Is that the potential?

Keh-Shew Lu - ***Diodes, Inc. – President and CEO***

Don't forget at the same time, our cost is going up too. Our goal is start from 1400 at the beginning of Q1 and now it's going to 1580. And I really don't know if we continue or going down. So number one gold is the major cost to us. Number two, due to the labor shortage, we actually raised the salary in China, and China, Shanghai, raised their minimum salary for operator in effect in April 1. So again, our second quarter, our cost is going steadily up. At the same time, if you look at the exchange rate, we know that it's only one direction. So if you look at building material, due to the Japan earthquake and the tsunami, a lot of building material start heading up. So if you look at a lot of cost going up while we tried to maintain our GPM percent models. So that's why we give that kind of guidance.

Operator

Harsh Kumar with Morgan Keegan.

Harsh Kumar - ***Morgan Keegan & Co., Inc. – Analyst***

Congratulations on another fantastic quarter. A couple of simple questions. The biggest part of your outperformance in the March quarter relative to your expectations, would you be able to tell us what segment that was in?

Rick White - ***Diodes, Inc. – CFO, Secretary and Treasurer***

The outperformance in? I wasn't sure I understood the question.

Keh-Shew Lu - ***Diodes, Inc. – President and CEO***

Actually, in Europe, Europe is outperformed and Asia is not bad either.

Mark King - ***Diodes, Inc. – SVP, Sales and Marketing***

I would say that we had upsides in some of our major key customers in Asia in Q1. And we had a very strong Europe in Q1 that were a little bit more surprising. The Europe number, we were a little concerned going in. Not concerned, but we didn't think it would be quite as strong throughout the quarter as it was. And that was quite a good thing. And we had some resurgence on the key customer LED TV that was quite significant. And really maybe not even in unit volumes but in content. So our content expansion in a few of our major customers helped the quarter significantly.

Keh-Shew Lu - ***Diodes, Inc. – President and CEO***

And you're talking about smartphone, you're talking about tablets and you're talking about LED TV. All those give us a much better performance than what we expected in Q1.

Harsh Kumar - *Morgan Keegan & Co., Inc. – Analyst*

Got you, thank you. And then, Dr. Lu, your Company is very well run as it is. I was surprised to see OpEx coming down as a percentage of revenues in June a little bit. Where is that going to come from? Any color that you want to give us would be very helpful.

Keh-Shew Lu - *Diodes, Inc. – President and CEO*

You always – our business model is always do it that way. We are not going to be crazy to hire in people so while our revenue is going up, we just carefully hide in the SG&A. Now, R&D, I do not want to concern it because that's important, that's for the future, for the operation, we can try to constrain it, the growth a little bit. That's our business model and I'm glad we are able to perform according to our business model.

Harsh Kumar - *Morgan Keegan & Co., Inc. – Analyst*

Got it, thank you. Last question from me. You said a lot of new design wins, Dr. Lu and Mark. What area of products are you seeing most traction in?

Mark King - *Diodes, Inc. – SVP, Sales and Marketing*

Yes, one of the most exciting areas that's relatively new that we're expanding our product line in and that the customer base is very interested in is our MOSFET products. Everybody wants to see the MOSFET, so I think that's going to be a very very strong revenue driver going forward. Seeing a lot of action, beginning action in our high volume logic. I think our USB switches, as I mentioned, are going quite well. But I think it's relatively broad-based. I think our position in our customers is quite strong and they're looking at our products across-the-board.

Keh-Shew Lu - *Diodes, Inc. – President and CEO*

The key thing is we are able to grow the content of our customers applications.

Operator

Suji De Silva with ThinkEquity.

Suji De Silva - *Thinkequity – Analyst*

Hi guys. Nice job in the quarter. Following up on the last question, can you talk about the second quarter and whether any end market you expect to grow stronger relative to your guidance and maybe some that are a little slower perhaps?

Mark King - ***Diodes, Inc. – SVP, Sales and Marketing***

I really don't have that in front of me. I think it's going to be hard. I think we're going to have continued momentum in pretty much the same areas. I think we'll see some resurgence in Q2 in North America and relative stability in Europe. And I think we might see a little bit of improvement in notebook that might help the overall thing. But I think our general momentum is in the same customer base. Our focus is there so that's where we would expect to grow.

Suji De Silva - ***Thinkequity – Analyst***

Okay, great. And then switching to the events in Japan, did you have any impact in the first quarter on your revenue, positive or negative? And then perhaps in the guidance from the events in Japan or was it immaterial?

Mark King - ***Diodes, Inc. – SVP, Sales and Marketing***

I don't really think that we had. I think that we'll see and I think the industry will see some long term effects from Japan regarding cost. I think we're going to see some cost issues. I don't think it will be isolated to us over a period of time. I do think there was some short-term excitement that might have been run. Actually probably the Japanese semiconductor companies actually got ran up the most because everybody bought out the stock that was there that they didn't have. I think it showed some opportunity for entry in certain customers that were heavily Japanese based because they had some concerns long term but I don't think any short-term. There was not anything significant from a short-term perspective that affected the quarter.

Suji De Silva - ***Thinkequity – Analyst***

And last question. With the labor shortages, Dr. Lu, are the lead times expanding there? And are you having trouble keeping customers comfortable with the availability or is that a non-issue despite the labor shortage? Thanks.

Mark King - ***Diodes, Inc. – SVP, Sales and Marketing***

Again – I took this one from him too – but again, we look at led time as a decision. So we use channel and we use some of our contract business to adjust for our key customers. So we might not get enough product overall but, generally, we have the ability to keep our key customers happy through these periods. So we move things around and we keep the inventories and the hubs tight and we get through them as we go through to bring our units up.

Operator

Vijay Rakesh with Sterne, Agee.

Vijay Rakesh - ***Stern, Agee & Leach – Analyst***

Hi, guys. Just Dr. Lu, you mentioned the focus on gross profit operating dollars. So would you still plan on keeping the gross profit at the 35% level or would you let it come down as you focus on operating margin?

Keh-Shew Lu - ***Diodes, Inc. – President and CEO***

I think I would keep the same. I'm not really tried to just continue to bring the GPM percent up, okay? In our business model is as long as GPM dollar, gross profit goes up, that's what we are going after. And at the end, that's really the effect of earnings per share, not the GPM percent. And therefore, if I see the opportunity to gain the market share to grow it, then we'll take it.

Vijay Rakesh - ***Stern, Agee & Leach – Analyst***

Okay, got it. Also, it obviously looks like, when you look at the challenges, there's a little bit of concern there might be second quarter things slowing down. How is the usual point of sales and point of purchases, how is that trending now in April and May now that you're almost in May here?

Mark King - ***Diodes, Inc. – SVP, Sales and Marketing***

In our guidance we took that into consideration. We actually see the POS and the POP trending positively in the second quarter, and I think it looks good. I think there might even, haven't really figured out where the inventory is going to be but I don't think there's going to be a significant value change in the inventory in Q2.

Vijay Rakesh - ***Stern, Agee & Leach – Analyst***

Lastly, when you look at last question here, if you look at your revenues by PCs, handsets and TVs, can you approximately give us what percentage runs into those markets?

Mark King - *Diodes, Inc. – SVP, Sales and Marketing*

No, really we focus on the major segments. So if you look at – I don't have the exact figures in front of me, I can look them up – but obviously our 2 biggest segments are computer and consumer. We've never really reported by end equipment specifically and I don't have that data and I'm not sure. I'm trying to find the page. Okay, yes, so consumer represented roughly 31% in the quarter, computing 28%, industrial was about 20%, communication 17%, and automotive actually reached 4% in the quarter for the first time. So within those segments, we really don't break it out that closely.

Operator

John Vinh with Collins Stuart.

John Vinh - *Collins Stewart – Analyst*

Hi. Congratulations on the nice quarter. First question, Mark, you mentioned that reaction to some of the disruptions you've had at some of your customers or some of the DISTYS are reacting and holding more inventory. Can you comment on what are your DISTYS at in terms of inventories and where do they want to be at this point?

Mark King - *Diodes, Inc. – SVP, Sales and Marketing*

I mentioned in the script that we're right at about 3 months globally. So I would say that I think our DISTY inventory is clean around the world. I think we're starting to see some interest in bringing the inventory up a little bit in North America. I think Europe, I think, will balance for a quarter. And Asia, depending on the strength of the POS could come down a little bit, could stay flattish but I wouldn't expect it to go up. So I think everybody is in pretty good shape there and I think we're happy. I don't think that anybody is over inventoried at this point.

John Vinh - *Collins Stewart – Analyst*

Okay, that's helpful. And then just a follow-up question, I think you'd mentioned that near term not a major impact either way on Japan on your business. What about over the longer term? Are there design activities and opportunities for you to gain share over the longer term, because obviously some of your competitors in Japan obviously had significant impacts over there.

Mark King - *Diodes, Inc. – SVP, Sales and Marketing*

Yes, I think there's a lot of opportunity. I think there's a lot of concern. Whenever there's a major disruption, people maybe even overreact. So clearly, where there was people that were sole source on Japanese products, that became very obvious to them when they have a threat. And then a purchasing organization gets hammered by their boss saying how could you ever put me in that position, and then that opens up opportunity. And I think all of these, as much as I hate to say that, Diodes, Inc. strength in the past has always been to capitalize on situations to help customers through these issues and I think we'll continue to do that going forward. In the short run, it's very hard to monetize that and but I expect to see continued opportunity as people review their vendor base.

John Vinh - *Collins Stewart – Analyst*

And is it fair to say we could start seeing some of that start to show up at the margin in your revenues in the second half of the year at this point?

Mark King - *Diodes, Inc. – SVP, Sales and Marketing*

I would just stick with our traditional business models and work that way. I wouldn't try to over think that, okay? Hopefully we can get an extra boost and come up with some better guidance in a later quarter or something but I don't think you should try to monetize that at this point.

Operator

Christopher Longiaru with Sidoti & Company.

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

Hi guys, congratulations on the quarter and the guidance. So my question is, so you have all these new products that you're ramping. Are these going to start to contribute to revenue in the typical time frame? When do you expect these to start to add? And then are these higher in terms of gross profit and gross margin than some other products? Can you give us some idea of how that's going to affect your mix going forward?

Mark King - ***Diodes, Inc. – SVP, Sales and Marketing***

I think that the ramp time for some of these products is very diverse. Some of these products, we're designing them in and shipping them 3 weeks later at some pretty major customers. And some of our revenue in Q1 was at the sake of POP that we would have normally positioned certain products or our assembly business so that we could ramp those products. I would say that traditionally our new products are higher margin than our old products but the margin for Diodes, the manufacturing margin is a major portion of our business, so it's a little bit more complex to get down to that margin percentage. Clearly, if we're in a very prime mix and our operations are running at ultimate efficiencies our margins are going to go up. So I think as we get through this period, I think you make your own assumptions but I hope that answers the question.

Keh-Shew Lu - ***Diodes, Inc. – President and CEO***

The operation efficiency will be improved, we know that. The only problem I can not control is the cost? Because just like you, I don't think people can guess what will be the oil price and I can not guess what will be the gold wire price, the gold price. Again, our vendors take opportunity to raise wafer price, different price, more compound, they have a lot of stuff. Traditionally, you going to expect going down every quarter due to the volume but this earthquake threw that curve away, and so we really, very difficult to predict. My job is to try to keep it above our business model as much as I can.

Operator

Steven Chin with UBS.

Steven Chin - ***UBS – Analyst***

Yes, thanks for taking my questions and let me also add my congratulations on the strong results and guidance. My first question is just to touch upon inventories one more time. I know a lot of good discussion's already happened there but I just wanted to see if there's any additional color you can offer on some different segments or different geographies, if there are any (inaudible) product types, whether it's discretes or analogs, that might be tighter in terms of the balance between those two? And again I understand that overall your inventories are clean, but just wondering if there's any tightness or any excess of one type of product or the other in the 3 major geographies.

Mark King - ***Diodes, Inc. – SVP, Sales and Marketing***

I think there's one area that's really really tight and that's SOT 23s. I think the industry is short on SOT 23s. And it's funny that price doesn't really want to go up, but nobody can get enough. So everybody is just getting enough. So I think in those areas, that's an area where we're very very short everywhere. I think outside of that, everything is relatively balanced. If there's no market for it right now in a situation like that, then we build what there's a market for. So I don't think we're creating much inventory on items that are slow. I don't think, in the industry, the nice thing about our industry today is, is that packaging isn't as abundant as it once was because some of the broad liners don't continue to invest in their packaging. So when business is relatively good, packaging is tight. So I don't think you'll see a lot of people just building stuff that's not out there. So I don't think there's any way to isolate it but I would say SOT 23s, there would be a shortage there.

Keh-Shew Lu - ***Diodes, Inc. – President and CEO***

And that's the low GPM

Mark King - ***Diodes, Inc. – SVP, Sales and Marketing***

And that's the low GPM. So we consider that mostly a service business so we have a certain amount of customers that we have to support on a certain amount of that to get them to work with us on other product lines.

Steven Chin - ***UBS – Analyst***

I understand. One other question for you Mark. In terms of the new design wins that you were referencing to earlier, are those largely centered on new products that you've introduced over the past year or two or is there a good amount of that also centered on more mature product lines, if not commodities?

Mark King - ***Diodes, Inc. – SVP, Sales and Marketing***

I would say some of the best design wins we've had are either a reconfiguration of an older product in a new package or in a new size, or maybe with a slightly different spec or a brand new product. Some of those things, like when I talked about the 1006 MOSFET, those are relatively simple products but have very very good specifications and a very very small package, and their acceptance has been very very high, and the ramp on that. So I think that it's a combination of both but I would say it's more towards the new product area.

Steven Chin - ***UBS – Analyst***

Great. Last question, just looking at overall industrial and automotive demand trends, and obviously that's continuing to be quite healthy in the first half of this year. In looking at the modest change in your overall sales mix with auto reaching 4%, I was wondering if your cost structure behind those products that you sell into industrial and automotive, if they're the long lead time, long qualification and development cycle type product that's typical of your competitors. Or is this a different type or more of your traditional computing and consumer type products but just happen to be selling into the automotive and industrial vertical? Thanks.

Mark King - ***Diodes, Inc. – SVP, Sales and Marketing***

I would say both. Some of the product, we're definitely an Asian-centric new product developing company but we definitely look at how we can fit those and configure those for our other markets in North America and Europe. The key difference is the design cycle for automotive is—

Keh-Shew Lu - ***Diodes, Inc. – President and CEO***

Very long.

Mark King - ***Diodes, Inc. – SVP, Sales and Marketing***

Yes, very very long. And the design cycle for industrial is also quite long. But the life cycle is also quite good too. So sometimes we have to show a little patience, and try to do that thing. But if we see a good solid opportunity to develop product in the industrial cycle, we're doing that. And we're seeing a lot with our SBR products in adapter and in power supply. Those are very key opportunities for our product line that are maybe not so consumer based and so on.

Keh-Shew Lu - ***Diodes, Inc. – President and CEO***

And some of the Zetex products.

Mark King - ***Diodes, Inc. – SVP, Sales and Marketing***

All of the Zetex products is very centered around industrial and automotive. And we as a Company are going to try to expand our marketplace in auto over time. But it may never keep up with our growth in the consumer and computer segments. It has been very hard to get to 4% and it may not stay there. Europe was very very strong in the quarter, that's probably why we drove to 4% in automotive so it was a solid quarter in automotive because of Europe.

Keh-Shew Lu - ***Diodes, Inc. – President and CEO***

And overall, if you look at quarter after quarter, our industrial plus automotive is about one-quarter of our revenue. Even we are grow very rapidly in the three C consumer, computer, communication in Asia, but at the same time, our industrial and automotive, it's growing at similar rate.

Mark King - ***Diodes, Inc. – SVP, Sales and Marketing***

Did that get it for you?

Steven Chin - ***UBS – Analyst***

Yes. Thanks a lot for all of the color and congratulations once again.

Operator

Brian Piccioni with BMO Capital Markets.

Brian Piccioni - ***BMO Capital Markets – Analyst***

Thank you, and congratulations on great results again. Of course, most of my questions would have been asked and answered so I have a small amount of trivia. There's an other amount of $534,000 on the income statement, but that's not taken out of your non-GAAP results. What is that amount?

Keh-Shew Lu - ***Diodes, Inc. – President and CEO***

Rick, you might need to answer that.

Rick White - ***Diodes, Inc. – CFO, Secretary and Treasurer***

Yes, I think that's rate of exchange. That's one of the non-GAAP things that we just leave in.

Brian Piccioni - ***BMO Capital Markets – Analyst***

Okay, all right. And there's a lot of questions, obviously, been asked about pricing of various things. And, of course, you've been working to replace gold bonding wire. Recently I've heard some companies make comments, and you might have been alluding to them a little bit earlier with your SOT23 comments, but that lead frames are starting to reflect the increased price of the materials that go into that. Are you seeing an impact from that or is it relatively modest relative to the other things that you're having to deal with?

Keh-Shew Lu - ***Diodes, Inc. – President and CEO***

Exactly, you hit the point. I think earlier, I said gold wire, I said wafer and another one I do say is lead frame. Actually, lead frame, a lot of lead frame is supplied from Japan and due to this earthquake, they sure take the opportunity to raise the price on the lead frame. So lead frame is one. And that's another thing we're talking about

SOT23. Yes, we know there was a shortage and we want to spend a lot of capacity for that? No. I'm not going to spend a lot of capacity for it. We use that to be able to support our key customer and therefore, we can gain business from some other packaging. But you are right. Lead frame is one of the key costs up.

Brian Piccioni - ***BMO Capital Markets – Analyst***

Okay. And one of the things that's been alluded to, as well, in prior conference calls is there's a risk that if we can imagine a hypothetical Korean TV manufacturer, for example, may have a television that's sitting and waiting for a single sourced component out of Japan. And as a result, in this hypothetical scenario, because they can't fill in the kit, begin to perhaps postpone orders or whatever. Do you have any visibility in that regard or do you just think that's an unlikely scenario?

Mark King - ***Diodes, Inc. – SVP, Sales and Marketing***

I think that that is the worst scenario that people start to think about when they think about the situation in Japan. So far, we haven't seen that occur. I think there's been a significant amount of scrambling by the world, by customers, to make sure that it didn't happen. And I think that there's been a lot of resolution to some of these problems on raw materials and so forth. Actually, the response in Japan to key chemicals and key raw materials has been quite good. And the companies that had total losses came to agreements to work with other companies in Japan outside of that area very quickly. So I think actually the industry has responded quite well and I think that we don't see signs that that's going to occur.

Operator

Ramesh Misra with Briggatine Advisors.

Ramesh Misra - ***Brigantine Advisors – Analyst***

Good afternoon, folks. Good job in the quarter. First question for you, Rick. Were there any key issues altering the accounts receivable in the quarter that jumped up pretty significantly?

Rick White - ***Diodes, Inc. – CFO, Secretary and Treasurer***

No. The basic reason it jumped up was that because of the Chinese New Year, the January and February numbers were down, the revenue was down, and so we did a big March and so it just hadn't been collected yet. But no big issues there.

Ramesh Misra - ***Brigantine Advisors – Analyst***

Okay. And the CapEx guidance that you issued, you excluded Chengdu. How should we be thinking of Chengdu expenditure? And did you have a number for the Chengdu CapEx in Q1?

Rick White - ***Diodes, Inc. – CFO, Secretary and Treasurer***

Yes, but the number was less than $1 million for Chengdu. It was small because we just put together a workshop over there. Going forward, the reason we've taken it out is that there's no revenue out of Chengdu yet. And so to have our model at 10% to 12% comparable to what we're actually spending on the rest of the business that's generating revenue, that's the reason we've taken it out. Now, I would assume that in the second half, we'll start getting revenue and we will start looking at including some Chengdu CapEx. The issue is that we're going to have to spend some amount of money on site development, building the first set of buildings and you're not going to get any output out of that for 12 to 18 months. So we're trying to make the numbers that we're showing the public comparable from a time period to time period standpoint.

Ramesh Misra - ***Brigantine Advisors – Analyst***

Okay. Then Mark or Dr. Lu, there has been some concern about disruptions in the automotive market. What are your thoughts going forward over there? Do you anticipate any of that impacting you or do you feel you're pretty immune to it based upon your customer exposure?

Mark King - ***Diodes, Inc. – SVP, Sales and Marketing***

I don't think we're qualified to make a big judgment on that as a percentage of revenue. It looks like our customer forecasts are still coming in pretty good. Most of the people's problems are in raw materials, and ours is mostly European based so they're European cars. So, again it's one of those things where we just really haven't seen a big sign that that's going to occur yet but I know there's going to be some issues on the Japanese cars. I just haven't seen where that impacted us as of yet. It's a good thing that it's not 20% of our business.

Operator

Gary Mobley, with The Benchmark Company.

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

Hi, guys. I'll sneak my questions in. Regarding the gross margin, you mentioned some labor shortages. Did that lead to a greater percentage of your revenue coming from products that are resold from other suppliers such as Lite-On? And then, as well, second part to the question, how much of an increase in wages are we talking about here for some of your employees based at your China packaging facility?

Keh-Shew Lu - ***Diodes, Inc. – President and CEO***

Okay, let's talking about the wage first. Actually, we are talking about the minimum wage, so not majority. Well, not the high pay employee. We are more talking about the lower end of our operator. But when you raise the lower end operator, then you still need to raise some on the high end of the operator. So the delta between each range would shrink, but you still need to relatively move everybody up. It just the low end move more, the high end move less. And for us, I think we actually take action in February 1, so half of the first quarter get affected, and then 100% of the second quarter will be affected. And so that is already reflected in our GPM guidance. Yes, Shanghai raised the minimum salary, but fortunately we raised more so we are able to cover to meet their minimum requirement. And that way, we can keep the good people and keep our workers there. And what's the other question?

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

Percentage of your revenue derived from resold products in this quarter and as well, looking into your second quarter.

Mark King - ***Diodes, Inc. – SVP, Sales and Marketing***

I don't think it was any different than any other quarter, and I don't think we've really reported that.

Operator

At this time, I'd like to turn the call back over to Dr. Lu for closing remarks.

Keh-Shew Lu - ***Diodes, Inc. – President and CEO***

Thank you for all your participation today and that will be the end of the conference call today. Operator, you may now disconnect.