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 8, 2012
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 February 8, 2012, Diodes Incorporated (the “Company”) issued a press release announcing its fiscal 2011 and fourth quarter financial results. A copy of the press release is attached as Exhibit 99.1.

On February 8, 2012, the Company hosted a conference call to discuss its fiscal 2011 and fourth quarter 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 February 8, 2012, 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: February 14, 2012

DIODES INCORPORATED

By /s/ Richard D. White

RICHARD D. WHITE
Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press release dated February 8, 2012
99.2	Conference call script dated February 8, 2012
99.3	Question and answer transcript dated February 8, 2012

Exhibit 99.1

Diodes Incorporated Reports Fiscal 2011 and Fourth Quarter Financial Results

Achieves Record Revenue for 2011 and 21 Consecutive Years of Profitability

Plano, Texas – February 8, 2012 – 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 fiscal year and fourth quarter ended December 31, 2011.

Year 2011 Highlights

- Revenue increased to a record $635.3 million, an increase of 3.6 percent over the $612.9 million in 2010;
- Gross profit was $193.7 million compared to $224.9 million in 2010;
- Gross margin was 30.5 percent compared to 36.7 percent in 2010;
- GAAP net income was $50.7 million, or $1.09 per diluted share, compared to $76.7 million, or $1.68 per diluted share in 2010; achieved 21 consecutive years of profitability;
- Non-GAAP adjusted net income was $58.0 million, or $1.24 per diluted share, compared to $82.9 million, or $1.82 per diluted share in 2010;
- Excluding $8.9 million of share-based compensation expense, both GAAP and non-GAAP adjusted net income would have increased by $0.19 per diluted share, the same amount per diluted share by which share-based compensation affected GAAP and non-GAAP adjusted net income in 2010;
- Achieved $61.7 million cash flow from operations. Excluding certain tax accounting adjustments related to the Convertible Senior Notes' retirement, adjusted cash flow from operations was $77 million. Net cash flow was a negative ($141.4) due to the retirement of the Convertible Senior Notes; and
- Free cash flow was negative ($19.3) million. Excluding certain tax accounting adjustments related to the Convertible Senior Notes' retirement, adjusted free cash flow was negative ($4) million.

Fourth Quarter Highlights

- Revenue was $143.3 million, a decrease of 12.5 percent over the $163.8 million in the fourth quarter of 2010, and a decrease of 10.8 percent from the $160.6 million in the third quarter of 2011;
- Gross profit was $35.5 million, compared to $62.6 million in the fourth quarter of 2010 and $45.2 million in the third quarter of 2011;
- Gross profit margin was 24.8 percent, compared to 38.3 percent in the fourth quarter 2010 and 28.1 percent in the third quarter of 2011;
- GAAP net income was $3.1 million, or $0.07 per diluted share, compared to fourth quarter 2010 of $24.0 million, or $0.52 per diluted share, and third quarter 2011 of $10.0 million, or $0.21 per diluted share;
- Non-GAAP adjusted net income was $4.0 million, or $0.09 per diluted share, compared to fourth quarter 2010 of $25.3 million, or $0.55 per diluted share, and third quarter 2011 of $12.1 million, or $0.26 per diluted share;
- Excluding $2.4 million of share-based compensation expense, both GAAP and non-GAAP adjusted net income would have increased by $0.05 per diluted share, the same amount per diluted share by which share-based compensation affected GAAP and non-GAAP adjusted net income in fourth quarter 2010;
- Achieved negative ($3.4) million cash flow from operations and $4.6 million net cash flow. Excluding certain tax accounting adjustments related to the Convertible Senior Notes' retirement, adjusted cash flow from operations was $12 million; and
- Free cash flow was negative ($14.5) million. Excluding certain tax accounting adjustments related to the Convertible Senior Notes' retirement, adjusted free cash flow was $0.5 million.

Commenting on the results, Dr. Keh-Shew Lu, President and Chief Executive Officer of Diodes Incorporated, stated, "I am very pleased to report that Diodes continued its growth during 2011 and achieved record revenue for the full year despite ongoing uncertainty in the global economy. This year also represented our 21st consecutive year of profitability, which underscores the success of our profitable growth strategy. The broad market weakness that began in late second quarter continued to impact all of our market segments throughout the fourth quarter, but past design win momentum and new product initiatives enabled further market share gains. Although productivity and manufacturing efficiencies in our Shanghai facility have recovered to prior levels, gross margin continues to be negatively impacted by the effects of the market softness, including increased pricing pressure, continued sales of lower margin commodity products and less than maximum utilization of manufacturing capacity, despite the increase in our finished goods inventory in advance of the Chinese New Year."

"We are closely monitoring the market environment during the first quarter of 2012 and are continuing to delay capital investments, except for new product expansion and copper wire conversion. We have also slowed the pace of the building construction of our Chengdu facility and expect completion by the end of the second quarter of 2012. Increasing capacity at our Chengdu facility above the current pilot line level will depend upon market requirements and improvements in demand. In addition, we plan to maintain our operating expense controls. Overall, I believe we are better positioned than we were coming out of the 2009 downturn, which sets the stage for growth in 2012 as the market improves."

Business Outlook

Dr. Lu concluded, "The first quarter is typically a seasonally down quarter for our business. However, we expect revenue to be better than the normal seasonal pattern due to improved distributor order rates in North America and Europe as well as the ramping of new projects for our products used in smartphones and tablets. As such, for the first quarter of 2012, we expect revenue to range between $138 million and $148 million, or flat plus or minus $5 million sequentially. We expect gross margin to be 25 percent, plus or minus 2.0 percent. Operating expenses are expected to remain approximately flat with fourth quarter on a dollar basis. We expect our income tax rate to range between 17 and 23 percent, and shares used to calculate GAAP EPS for the first quarter are anticipated to be approximately 47.2 million."

Fiscal 2011

For the fiscal year 2011, revenue increased to a record $635.3 million, an increase of 3.6 percent over the $612.9 million in 2010. Gross profit was $193.7 million, or 30.5 percent of revenue, compared to $224.9 million, or 36.7 percent of revenue, in the prior year. GAAP net income was $50.7 million, or $1.09 per diluted share, compared to $76.7 million, or $1.68 per diluted share in 2010.

Non-GAAP adjusted net income for 2011 was $58.0 million, or $1.24 per diluted share, which excluded, net of tax, $3.9 million of non-cash interest expense related to the amortization of debt discount on the Convertible Senior Notes and $3.3 million of non-cash acquisition related intangible asset amortization costs, compared to non-GAAP adjusted net income of $82.9 million, or $1.82 per diluted share, in the prior year. 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):*

	Twelve Months Ended December 31, 2011 *unaudited*
GAAP net income	**$ 50,737**
GAAP diluted earnings per share	**$ 1.09**
Adjustments to reconcile GAAP net income to Non-GAAP adjusted net income:	
Amortization of debt discount	**3,921**
Amortization of acquisition related intangible assets	**3,319**
Non-GAAP adjusted net income	**$ 57,977**
Non-GAAP adjusted diluted earnings per share	**$ 1.24**

See the tables below for further details of the reconciliation.

Included in fiscal 2011 GAAP and non-GAAP adjusted net income was approximately $8.9 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 $0.19 per diluted share, the same amount per diluted share by which share-based compensation affected GAAP and non-GAAP adjusted net income in 2010.

EBITDA, which represents earnings before net interest expense, income tax provision, depreciation and amortization, for fiscal 2011 was $130.5 million, compared to $156.4 million for fiscal 2010. For a reconciliation of GAAP net income to EBITDA (non-GAAP), see table below.

For the year ended December 31, 2011, net cash provided by operating activities was $61.7 million. In accordance with US GAAP, certain tax items that relate to the retirement of Convertible Senior Notes in the amount of negative $15 million have been recorded in cash flow from operations. Excluding these adjustments, adjusted cash flow from operations was $77 million. Net cash flow was a negative ($141.4) million due to the retirement of the Convertible Senior Notes. Free cash flow was a negative ($19.3) million, which was also negatively impacted $15 million by certain tax accounting adjustments related to the Convertible Senior Notes.

Fourth Quarter 2011

Revenue for the fourth quarter of 2011 was $143.3 million, a decrease of 12.5 percent over the $163.8 million in the fourth quarter of 2010, and a decrease of 10.8 percent from the $160.6 million in the third quarter of 2011. The decrease in revenue was due to a general market weakness across all market segments, including consumer, computing and communications markets.

Gross profit for the fourth quarter of 2011 was $35.5 million, or 24.8 percent of revenue, compared to $62.6 million, or 38.3 percent, in the fourth quarter of 2010 and $45.2 million, or 28.1 percent of revenue, in the third quarter 2011. The decline in gross profit margin was due primarily to a weak pricing environment and a sustained shift in product mix to lower margin products in an effort to maintain capacity utilization at the Company's wafer fabs and Shanghai packaging facilities.

Fourth quarter 2011 GAAP net income was $3.1 million, or $0.07 per diluted share, compared to GAAP net income of $24.0 million, or $0.52 per diluted share, in the fourth quarter of 2010 and GAAP net income of $10.0 million, or $0.21 per diluted share, in the third quarter of 2011.

Non-GAAP adjusted net income for the fourth quarter of 2011 was $4.0 million, or $0.09 per diluted share, which excluded, net of tax, $0.9 million of non-cash acquisition related intangible asset amortization costs, compared to non-GAAP adjusted net income of $25.3 million, or $0.55 per diluted share, in the fourth quarter of 2010 and non-GAAP adjusted net income of $12.1 million, or $0.26 per diluted share, in the third quarter of 2011. 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 December 31, 2011 *unaudited*
GAAP net income	**$ 3,115**
GAAP diluted earnings per share	**$ 0.07**
Adjustments to reconcile GAAP net income to Non-GAAP adjusted net income:	
Amortization of acquisition related intangible assets	**865**
Non-GAAP adjusted net income	**$ 3,980**
Non-GAAP adjusted diluted earnings per share	**$ 0.09**

See the tables below for further details of the reconciliation.

Included in fourth quarter 2011 GAAP and non-GAAP adjusted net income was approximately $2.4 million, net of tax, non-cash share-based compensation expense. Excluding share based compensation expense, both GAAP and non-GAAP adjusted diluted EPS would have increased by an additional $0.05 per share, the same amount per diluted share by which share-based compensation affected GAAP and non-GAAP adjusted net income in fourth quarter 2010.

EBITDA, which represents earnings before net interest expense, income tax, depreciation and amortization, for the fourth quarter of 2011 was $19.7 million, compared to $46.7 million for the fourth quarter of 2010 and $29.2 million for the third quarter of 2011. For a reconciliation of GAAP net income to EBITDA (non-GAAP), see the table below.

For the fourth quarter of 2011, net cash provided by operating activities was a negative ($3.4) million cash flow from operations and $4.6 million net cash flow. Excluding certain tax accounting adjustments related to the Convertible Senior Notes' retirement, adjusted cash flow from operations was $12 million. Free cash flow was negative ($14.5) million, which was also negatively impacted $15 million by certain tax accounting adjustments related to the Convertible Senior Notes.

As of December 31, 2011, Diodes had approximately $130 million in cash and cash equivalents and working capital was approximately $317 million.

Conference Call

Diodes will host a conference call on Wednesday, February 8, 2012 at 4:00 p.m. Central Time (5:00 p.m. Eastern Time) to discuss its fiscal 2011 and fourth quarter financial results. Investors and analysts may join the conference call by dialing 1-800-435-1398 and providing the confirmation code 59035950. International callers may join the teleconference by dialing 1-617-614-4078 and enter the same confirmation code at the prompt. A telephone replay of the call will be made available approximately two hours after the call and will remain available until Monday, February 13, 2012 at midnight Central Time. The replay number is 1-888-286-8010 with a pass code of 28767212. 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 two joint venture facilities located in Chengdu, China. Additional engineering, sales, warehouse, and logistics offices are located in Fort Worth, Texas; 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: gross margin continues to be negatively impacted by the effects of the market softness, including increased pricing pressure, continued sales of lower margin commodity products and less than maximum utilization of manufacturing capacity, despite the increase in our finished goods inventory in advance of the Chinese New Year; we are closely monitoring the market environment during the first quarter of 2012 and are continuing to delay capital investments, except for new product expansion and copper wire conversion; we have also slowed the pace of the building construction of our Chengdu facility and expect completion by the end of the second quarter of 2012; increasing capacity at our Chengdu facility above the current pilot line level will depend upon market requirements and improvements in demand; in addition, we plan to maintain our operating expense controls; overall, I believe we are better positioned than we were coming out of the 2009 downturn, which sets the stage for growth in 2012 as the market improves; the first quarter is typically a seasonally down quarter for our business; however, we expect revenue to be slightly better than the normal seasonal pattern due to improved distributor order rates in North America and Europe as well as the ramping of new projects for our products used in smartphones and tablets; as such, for the first quarter of 2012, we expect revenue to range between $138 million and $148 million, or flat plus or minus $5 million sequentially; we expect gross margin to be 25 percent, plus or minus 2.0 percent; operating expenses are expected to remain approximately flat with fourth quarter on a dollar basis; and we expect our income tax rate to range between 17 and 23 percent, and shares used to calculate GAAP EPS for the first quarter are anticipated to be approximately 47.2 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.

# # #

Company Contact:

Diodes Incorporated
Laura Mehrl
Director of Investor Relations
P: 972-987-3959
E: laura_mehrl@diodes.com

Investor Relations Contact:

Shelton Group
Leanne Sievers
EVP, Investor Relations
P: 949-224-3874
E: lsievers@sheltongroup.com

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2011	2010	2011	2010
NET SALES	$ 143,313	$163,767	$635,251	$612,886
COST OF GOODS SOLD	107,818	101,124	441,554	388,017
Gross profit	35,495	62,643	193,697	224,869
OPERATING EXPENSES				
Selling, general and administrative	22,585	23,105	89,974	88,784
Research and development	6,876	6,180	27,231	26,584
Amortization of acquisition related intangible assets and other	1,095	1,121	4,503	4,569
Total operating expenses	30,556	30,406	121,708	119,937
Income from operations	4,939	32,237	71,989	104,932
OTHER INCOME (EXPENSES)				
Interest income	175	255	1,024	2,842
Interest expense	(116)	(913)	(3,139)	(5,229)
Amortization of debt discount	—	(1,943)	(6,032)	(7,656)
Other	(940)	1,465	(178)	3,214
Total other income (expenses)	(881)	(1,136)	(8,325)	(6,829)
Income before income taxes and noncontrolling interest	4,058	31,101	63,664	98,103
INCOME TAX PROVISION	245	6,134	10,157	17,839
NET INCOME	3,813	24,967	53,507	80,264
Less: NET INCOME attributable to noncontrolling interest	(698)	(1,000)	(2,770)	(3,531)
NET INCOME attributable to common stockholders	$ 3,115	$ 23,967	$ 50,737	$ 76,733
EARNINGS PER SHARE attributable to common stockholders				
Basic	$ 0.07	$ 0.54	$ 1.12	$ 1.74
Diluted	$ 0.07	$ 0.52	$ 1.09	$ 1.68
Number of shares used in computation				
Basic	45,425	44,485	45,202	44,146
Diluted	46,599	45,867	46,713	45,546

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 fiscal year ended December 31, 2011:

	Operating Expenses	Other Income (Expense)	Income Tax Provision	Net Income
GAAP				**$50,737**
Earnings per share (GAAP)				
Diluted				**$ 1.09**
Adjustments to reconcile GAAP net incometo Non-GAAP adjusted net income:				
Amortization of acquisition related intangible assets	4,503	—	(1,184)	**3,319**
Amortization of debt discount	—	6,032	(2,111)	**3,921**
Adjusted (Non-GAAP)				**$57,977**
Diluted shares used in computing earnings per share				**46,713**
Adjusted earnings per share (Non-GAAP)				
Diluted				**$ 1.24**

Note: Included in GAAP and non-GAAP adjusted net income was $8.9 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 $0.19 per share.

DIODES INCORPORATED AND SUBSIDIARIES

CONSOLIDATED RECONCILIATION OF NET INCOME TO ADJUSTED NET INCOME

(in thousands, except per share data)

(unaudited)

For the fiscal year ended December 31, 2010:

	Operating Expenses	Other Income (Expense)	Income Tax Provision	Net Income
GAAP				**$76,733**
Earnings per share (GAAP)				
Diluted				**$ 1.68**
Adjustments to reconcile GAAP net income to Non-GAAP adjusted net income:				
Amortization of acquisition related intangible assets	4,425		(1,239)	**3,186**
Gain on sale of assets	(1,837)		661	**(1,176)**
Impairment of long-lived assets		144	(55)	**89**
Amortization of debt discount		7,655	(2,679)	**4,976**
Forgiveness of debt		(1,076)	161	**(915)**
Adjusted (Non-GAAP)				**$ 82,894**
Diluted shares used in computing earnings per share				**45,546**
Adjusted earnings per share (Non-GAAP)				
Diluted				**$ 1.82**

Note: Included in GAAP and non-GAAP adjusted net income was approximately $8.5 million, net of tax, non-cash share-based compensation expense. Excluding this expense, both GAAP and non-GAAP adjusted diluted earnings per share ("EPS") would have increased by an additional $0.19 per share.

DIODES INCORPORATED AND SUBSIDIARIES

RECONCILIATION OF NET INCOME TO ADJUSTED NET INCOME

(in thousands, except per share data)

(unaudited)

For the three months ended December 31, 2011:

	Operating Expenses	Other Income (Expense)	Income Tax Provision	Net Income
GAAP				**$ 3,115**
Earnings per share (GAAP)				
Diluted				**$ 0.07**
Adjustments to reconcile GAAP net income to Non-GAAP adjusted net income:				
Amortization of acquisition related intangible assets	1,095	—	(230)	865
Adjusted (Non-GAAP)				**$ 3,980**
Diluted shares used in computing earnings per share				**46,599**
Adjusted earnings per share (Non-GAAP)				
Diluted				$ 0.09

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

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

For the three months ended December 31, 2010:

	Operating Expenses	Other Income (Expense)	Income Tax Provision	Net Income
GAAP				**$23,967**
Earnings per share (GAAP)				
Diluted				**$ 0.52**
Adjustments to reconcile GAAP net income to Non-GAAP adjusted net income:				
Amortization of acquisition related intangible assets	1,121	—	(314)	**807**
Amortization of debt discount	—	1,943	(465)	**1,478**
Forgiveness of debt	—	(1,076)	161	**(915)**
Adjusted (Non-GAAP)				**$25,337**
Diluted shares used in computing earnings per share				**45,867**
Adjusted earnings per share (Non-GAAP)				
Diluted				**$ 0.55**

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 (Non-GAAP)

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, gain on sale of assets, impairment of long-lived assets and forgiveness of debt, as discussed below. Excluding gain on sale of assets, impairment of long-lived assets, and forgiveness of debt 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 ended October 1, 2011, therefore the Company no longer records an amortization of debt discount. In addition, over the past several years, the Company has repurchased some of its Notes, which made 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 second 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.

Impairment of long-lived assets – The Company excluded the impairment of long-lived assets. During the third quarter of 2010, the Company impaired certain assets, which was excluded from management's assessment of the Company's core operating performance. The Company believes the exclusion of the impairment of long-lived assets provides investors an enhanced view of a loss the Company may incur from time to time and facilitates comparisons with results of other periods that may not reflect such impairments.

Forgiveness of debt – The Company excluded the forgiveness of debt related to one of its Asia subsidiaries. The forgiveness of debt is excluded from management's assessment of our operating performance. The Company believes the exclusion of the forgiveness of debt provides investors an enhanced view of the adjustment the Company may incur from time to time and facilitates comparisons with the results of other periods that may not reflect such charges.

ADJUSTED EARNINGS PER SHARE (Non-GAAP)

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, gain on sale of assets, impairment of long-lived assets, and forgiveness of debt as described above. Excluding gain on sale of assets, impairment of long-lived assets, and forgiveness of debt 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.

CASH FLOW ITEMS

Free cash flow (FCF) (Non-GAAP)

FCF for fiscal 2011 and fourth quarter of 2011 is a non-GAAP financial measure, which is calculated by taking cash flow from operations less capital expenditures. For fiscal 2011 the amount was ($19.3) million ($61.6 million less (-) $80.9 million) and for fourth quarter 2011, the amount was ($14.5) million (($3.4) million less (-) ($11.1) 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. In addition, FCF was impacted by certain tax items included in cash flows from operations, see the next item for further details.

Adjusted cash flows from operations (Non-GAAP)

For fiscal 2011 and fourth quarter 2011, in accordance with U.S. GAAP, certain tax items relating to our retirement of Notes have been recorded in cash flows from operations. Adjusted cash flows from operations is a non-GAAP financial measure, which is calculated by taking cash flows from operations and adding back certain tax items relating to our retirement of Notes. For fiscal 2011 the amount was $77 million ($62 million plus (+) $15 million) and for fourth quarter 2011, the amount was $12 million (($3) million plus (+) $15 million). Although other items related to retirement of the Notes were included in cash flows from financing, U.S. GAAP does not allow certain tax related items to be included in cash flow from financing. This non-GAAP exclusion is important because it identifies certain tax items that would not have been included in cash flows from operations had we not had the retirement of Notes.

Adjusted FCF (Non-GAAP)

Adjusted FCF is a non-GAAP financial measure, which is calculated by taking FCF and adding back certain tax items in cash flows from operations related to our retirement of Notes as described above. For fiscal 2011 the amount was ($4) million (($19) million plus (+) $15 million) and for fourth quarter 2011, the amount was $0.5 million (($14.5) million plus (+) $15 million).

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 December 31,	
	2011	2010
Net income (GAAP)	$ 3,115	$ 23,967
Plus:		
Interest expense, net (1)	(59)	2,601
Income tax provision	245	6,134
Depreciation and amortization	16,382	14,036
EBITDA (Non-GAAP)	$ 19,683	$ 46,738

	Twelve Months Ended December 31,	
	2011	2010
Net income (GAAP)	$ 50,737	$ 76,733
Plus:		
Interest expense, net (2)	8,147	10,043
Income tax provision	10,157	17,839
Depreciation and amortization	61,431	51,796
EBITDA (Non-GAAP)	$130,472	$156,411

(1) Includes $0.0 and $2.0 million for the three months ended December 31, 2011 and 2010, respectively, of amortization of debt discount.

(2) Includes $6.0 million and $7.7 million for the twelve months ended December 31, 2011 and 2010, respectively, of amortization of debt discount.

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS

ASSETS

(in thousands)

	December 31, 2011 *unaudited*	December 31, 2010
CURRENT ASSETS		
Cash and cash equivalents	$129,510	$ 270,901
Accounts receivable, net	132,408	129,207
Inventories	140,337	120,689
Deferred income taxes, current	5,450	8,276
Prepaid expenses and other	19,093	11,679
Total current assets	426,798	540,752
DEFERRED INCOME TAXES, non current	26,863	1,574
PROPERTY, PLANT AND EQUIPMENT, net	225,393	200,745
OTHER ASSETS		
Goodwill	67,818	68,949
Intangible assets, net	24,197	28,770
Other	21,995	5,760
Total assets	$ 793,064	$846,550

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS

LIABILITIES AND EQUITY

(in thousands, except share data)

	December 31, 2011 *unaudited*	December 31, 2010
CURRENT LIABILITIES		
Lines of credit and short-term debt	$ 8,000	$ —
Accounts payable	66,063	70,057
Accrued liabilities and other current liabilities	30,793	37,635
Income tax payable	4,855	15,412
Convertible senior notes	—	128,261
Total current liabilities	109,711	251,365
LONG-TERM DEBT, net of current portion		
Long-term borrowings	2,857	3,393
CAPITAL LEASE OBLIGATIONS, net of current portion	1,082	1,380
OTHER LONG-TERM LIABILITIES	30,699	37,520
Total liabilities	144,349	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; 45,432,252 and 44,662,796 issued and outstanding at December 31, 2011 and December 31, 2010, respectively	30,423	29,775
Additional paid-in capital	263,455	231,842
Retained earnings	375,644	324,907
Accumulated other comprehensive loss	(35,762)	(45,080)
Total Diodes Incorporated stockholders' equity	633,760	541,444
Noncontrolling interest	14,955	11,448
Total equity	648,715	552,892
Total liabilities and equity	$ 793,064	$ 846,550

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

Operator:

Good afternoon and welcome to Diodes Incorporated's fourth quarter and fiscal 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 key followed by the zero on your touchtone phone.

As a reminder, this conference call is being recorded today, Wednesday, February 8, 2012. 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' fourth quarter and fiscal 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, February 8, 2012.** 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.

I am very pleased to report that Diodes continued its growth during 2011 and achieved record revenue for the full year despite the ongoing uncertainty in the global economy. This past year also represented our 21st consecutive year of profitability. Despite the broad market weakness that began late in the second quarter of 2011, we were still able to gain market share as a result of our past design win momentum and new product initiatives. This weakness was even more pronounced in the fourth quarter as most of our market segments degraded significantly. Revenue in the fourth quarter was $143 million, a decrease of 13 percent over the prior year period and 11 percent sequentially. During the quarter we continued to shift our product mix to lower margin commodity products to support the utilization of our installed capacity. Gross margin was also impacted by increased pricing pressure and declines of business in North America and Europe, where our gross margins are typically higher as compared to Asia. During the quarter, our productivity and manufacturing efficiencies in our Shanghai facility have recovered to prior levels, and we increased our finished goods inventory in advance of the Chinese New Year. However these collectively did not completely offset the product mix and pricing pressure experienced in the quarter.

As a result of the current market environment, we are maintaining the cost reduction actions that we implemented last quarter. This includes the delay of capital investments, except for those related to new product expansion and copper wire conversion. We have also slowed the pace of the building construction at our Chengdu facility and now expect completion by the end of the second quarter this year. Our decision to increase capacity at our Chengdu facility above the current pilot line level will depend upon market requirements and improvements in demand. In addition, we are closely monitoring the market environment and plan to maintain our operating expense controls.

As we start the new year, I believe we are better positioned than we were coming out of the 2009 downturn with a 50 percent higher revenue base, a greatly expanded product portfolio and stronger annualized margins. We are already beginning to see the signs of a slow recovery in our end markets with our first quarter guidance reflecting better than typical seasonal patterns. We believe this sets the stage for growth for the remainder of 2012.

With that, I will now turn the call over to Rick to discuss our fiscal 2011 and fourth quarter financial results and first quarter guidance in more detail.

Rick White, CFO

Thanks, Dr. Lu, and good afternoon everyone.

Revenue for 2011 was a record $635.3 million, an increase of 3.6 percent over the $612.9 million in 2010. For the fourth quarter of 2011, revenue was $143.3 million, a decrease of 12.5 percent over the $163.8 million in the fourth quarter of 2010, and a decrease of 10.8 percent from the $160.6 million in the third quarter of 2011. The decrease in quarterly revenue was due to general market weakness across most of our market segments, including the consumer, computing and communication markets.

Gross profit for 2011 was $193.7 million, or 30.5 percent of revenue, compared to $224.9 million, or 36.7 percent of revenue in 2010. For the fourth quarter of 2011, gross profit was $35.5 million, or 24.8 percent of revenue, compared to $62.6 million, or 38.3 percent, in the fourth quarter of 2010, and $45.2 million, or 28.1 percent of revenue, in the third quarter 2011. The decline in fourth quarter gross profit margin was due primarily to a weak pricing environment, a mix shift of business to Asia from North America and Europe where we have a richer mix of products and a sustained move in product mix to lower margin products in an effort to maintain capacity utilization at our wafer fabs and Shanghai packaging facilities.

Total **operating expenses** for the fourth quarter were $30.6 million, or 21.4 percent of revenue, compared to $30.4 million, or 18.6 percent of revenue in the fourth quarter of 2010, and $31.8 million, or 19.8 percent of revenue last quarter.

Looking specifically at **Selling, General and Administrative** expenses for the fourth quarter, SG&A was approximately $22.6 million, or 15.8 percent of revenue, compared to $23.1 million, or 14.1 percent of revenue in the fourth quarter of 2010, and $23.4 million, or 14.6 percent of revenue last quarter.

Investment in Research and Development for the fourth quarter was approximately $6.9 million, or 4.8 percent of revenue, compared to $6.2 million, or 3.8 percent of revenue in the fourth quarter of 2010, and $7.3 million, or 4.6 percent of revenue last quarter. We continue to increase our investment in R&D to further advance our new product initiatives.

Total Other Expenses amounted to $900,000 for the fourth quarter.

Looking at interest income and expense, we had approximately $175,000 of interest income on our cash balances and approximately $116,000 of interest expense. Also included in total other expense was a $1.7 million foreign currency loss primarily related to the decline in the Euro, partially offset by a $300,000 increase in fair value associated with our Eris stock investment.

Income Before Income Taxes and Noncontrolling Interest in the fourth quarter of 2011 amounted to $4.1 million, compared to income of $31.1 million in the fourth quarter of 2010, and $11.1 million in the third quarter of 2011.

Turning to **income taxes**, our effective income tax rate in the fourth quarter was 6 percent, due mainly to a change in profitability by country causing a slight reduction in our annual effective rate to 16 percent.

GAAP net income for the full year of 2011 was $50.7 million, or $1.09 per diluted share, compared to $76.7 million, or $1.68 per diluted share last year, and as Dr. Lu mentioned represented our 21st consecutive year of profitability. Non-GAAP adjusted net income for the year was $1.24 per diluted share. For the fourth quarter, GAAP net income was $3.1 million, or $0.07 per diluted share, compared to GAAP net income of $24.0 million, or $0.52 per share, in the fourth quarter of 2010, and GAAP net income of $10.0 million, or $0.21 per share last quarter. The share count used to compute GAAP diluted EPS for the fourth quarter was 46.6 million shares.

Fourth quarter **Non-GAAP adjusted net income** was $4.0 million, or $0.09 per diluted share, which excluded, net of tax, $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 fourth quarter GAAP and non-GAAP adjusted net income was approximately $2.4 million, net of tax, of non-cash share-based compensation expense. Excluding share based compensation expense, both GAAP and non-GAAP adjusted diluted EPS would have increased by an additional $0.05 per share.

Cash flow generated from operations for the year was $62 million as reported. In accordance with US GAAP, certain non-cash, tax items that relate to the retirement of our Convertible Senior Notes, that are required to be recorded in cash flow from operations, had a negative $15 million effect on cash flow from operations. They were offset by a $15 million cash in-flow recorded in cash flow from financing. Excluding these certain tax accounting adjustments related to the Convertible Senior Notes' retirement, non-GAAP adjusted cash flow from operations was $77 million.

Cash flow from operations for the fourth quarter was $3 million negative outflow, due primarily to the same GAAP requirement to record a $15 million tax related outflow related to our Convertible Senior Note repurchase. Excluding the tax accounting adjustments, non-GAAP adjusted cash flow from operations was $12 million.

Net cash flow for 2011 was a negative $142 million, due primarily to the $134 million repurchase of the Convertible Notes.

Net cash flow for the fourth quarter was a $5 million increase in cash.

Turning to the **balance sheet**, at the end of the fourth quarter, we had approximately $130 million in cash and cash equivalents. Working capital was approximately $317 million.

At the end of the fourth quarter, **inventory** was approximately $140 million, and a slight increase from the approximately $139 million in the third quarter of 2011. Inventory days increased to 119 in the fourth quarter, compared to 105 days last quarter. Inventory in the quarter reflects a $2.5 million increase in finished goods inventory due to a build-ahead for Chinese New Year and a $3.0 million increase in work in process, largely offset by a $2.5 million decrease in raw materials.

At the end of the fourth quarter**, Accounts receivable** was approximately $132 million and A/R days were 87, compared to 81 last quarter.

Capital expenditures for 2011 totaled $83 million, which included $19 million for our Chengdu site expansion. Excluding this amount, CapEx was 10 percent of revenue. Fourth quarter capital expenditures were $9 million, which included $3.5 million for our Chengdu site expansion. Excluding this amount, CapEx was 3.8 percent of fourth quarter revenue, compared to 6.1 percent in the third quarter. As Dr. Lu mentioned previously, we have slowed down the pace of construction at our Chengdu facility and now expect completion by the end of the second quarter of 2012. Outfitting the building and equipment additions in Chengdu will be dependent upon market conditions. For 2012, excluding Chengdu building expenditures, we expect CapEx to be 10 to 12 percent of revenue.

Depreciation and amortization expense for the fourth quarter was $16.4 million.

Turning to our Outlook…

In terms of first quarter guidance, we expect revenue to range between $138 million and $148 million, or flat plus or minus $5 million sequentially. We expect gross margin to be 25 percent, plus or minus 2.0 percent. Operating expenses are expected to remain approximately flat with the fourth quarter on a dollar basis. We expect our income tax rate to range between 17 and 23 percent, and shares used to calculate GAAP EPS for the first quarter are anticipated to be approximately 47.2 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 and Rick have mentioned, revenue for the fourth quarter declined sequentially led by Europe and North America and was predominately POP concentrated. Globally, direct sales were down only 4 percent sequentially, while distributor POP declined 18 percent. Channel inventory decreased 8 percent in the quarter. We expect that channel inventory reductions will also impact the first quarter but less dramatically than in Q4. Our results in Europe were also impacted by an 8 percent sequential decline in the Euro, and sales to the European automotive market declined for the first time in 8 quarters. Although there continues to be uncertainty in the macro environment, we expect distributor order rates to begin improving in the first quarter, and we will also begin to ramp a number of new projects for our products used in smartphones and tablets, which continue to be the two bright spots in terms of end equipment.

Turning to **Global Sales**, Asia represented 79 percent of revenue, while Europe and North America were both 10.5 percent.

Our end market breakout consisted of consumer representing 34 percent of revenue, computing 28, industrial 19, communications 16, and automotive 3 percent.

Now turning to **new products** – traction remains strong as we continue to execute on our new product initiatives. Highlights include several developments for the LED TV market, further expansion of our standard logic product family and continued strength in power management. Although the macro environment continues to weigh heavily on demand, we remain focused on new product introductions, and our design win activity and pipeline are solid.

Looking specifically at our **discrete** product line, our product introductions totaled 34 new products across 10 product families. Diodes launched a range of BJT devices aimed at improving the efficiency of the current balance for LED backlighting of larger LED screen TVs. These were complemented by a range of SBR® devices for LED TV applications, which offer low VF and higher thermal stability. This release also featured an ultra-low VF offering with significant efficiency gains. LED and 3D TVs are gaining momentum, and we feel we are well positioned to serve this market with our new BJT and SBR ® products developed and characterized especially for these applications.

We also launched 16 new MOSFETs in the quarter across 8 different packages. Six of these were for the high volume notebook and tablet PC markets and packaged in the Company's proprietary new power Di3333-8 package offering the same performance as the much larger SO8, but from a smaller and more thermally-efficient footprint. We also launched a range of switching diodes in the tiny DFN1006 package and miniature diode arrays in the SOT563, which are both industry firsts. In addition, we launched tight tolerance zener diodes and a range of power TVS for various high volume lighting applications. All of these new product introductions further build on Diodes reputation as an innovator in both space efficiency and power density.

Notable discrete design wins achieved during the quarter were for tablet and notebook computing, adaptors, LED TV, DC Fan and automotive, confirming the broad base of Diodes' discrete applications expertise.

Turning to **analog** new product introductions, we released 34 new products across 4 product families. New product highlights included expansion of our standard logic product line with the release of single and dual gate logic devices in space-saving DFN1010 and DFN1410 packaging. Diodes now offers one of the broadest portfolio of LVC devices in DFN packaging, targeting portable consumer electronics such as smartphones, tablets, e-readers and handheld gaming devices. We also broadened our portfolio of load switches with the release of new power switches optimized for use in hot-swap applications, such as notebook HDMI interfaces. The devices have fast, short-circuit response time and provide a complete protection solution for portable electronics and high-end consumer equipment. These load switches experienced strong market acceptance with several early major design wins and new revenue in e-book and notebook applications.

We also continued to see strength in our power management segment with solid revenue performance in our USB power switch, CMOS LDO and synchronous DC-DC converter product families. We continue to gain share in the USB power switch segment with multiple new design wins in notebook, LED TV and set-top box applications. Most notable, we now have USB power switch business at every major notebook manufacturer. In terms of our CMOS LDOs, we had a strong quarter with several major wins for our 1Amp adjustable CMOS LDO, as well as new engagements in set-top box and closed-caption monitors. We were also very pleased with our newest family of synchronous DC-DC converters, which generated multi-million unit sales within the first quarter of production.

And lastly, our voltage references experienced continued gains with the growing momentum of the Thunderbolt interface. In addition to existing adoption in host and cable applications, we had our first revenue from peripheral device sockets, as the interface standard is included in new consumer electronics applications. Other noteworthy design-in activities during the quarter include a major smartphone design-in for our AP9050 battery charger front-end, and a significant new single gate logic win.

As we look to the first quarter, we expect revenue to be better than normal seasonal patterns due to more favorable distributor order rates in North America and Europe, as well as the ramping of new projects for our products used in smartphones and tablets. Channel inventory is expected to continue decreasing and our new product introductions and design win activity remain solid. Overall, we believe we have made the required investments to support our future growth and remain well positioned for upside in the coming year.

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.

Exhibit 99.3

DIODES 4Q11 EARNINGS CALL

QUESTIONS AND ANSWERS

Operator

(Operator Instructions).Your first question comes from the line of Steve Smigie of Raymond James.

Steve Smigie - *Diodes, Inc. - Raymond James & Assoc.*

Great, thank you. Dr. Lu, I was hoping you could give us some color on orders post-Chinese New Year. I don't know if it is too early to know how things are recovering? I think that would give some indication if the pickup in orders at the end of last year/start of this year is something that might be following through? Thanks.

Keh-shew Lu - *Diodes, Inc. - President, CEO*

Thank you, Steve. It is very difficult to call because now is only about two weeks after Chinese New Year. But we always start to see some pocket pull-in before the Chinese New Year, and after Chinese year we start to see more and more pull-in, and in addition we see a sign of stronger POS from our distys, therefore we feel, or at least I feel much better than last quarter. But unfortunately due to the Chinese New Year shutdown of our customer, shorter February month, and our customers shorter workforce, or shortage, workforce shortage of our customer, therefore we cannot really show much stronger revenue, so we say our 1Q revenue is plus or minus $5 million.

Steve Smigie - *Diodes, Inc. - Raymond James & Assoc.*

Okay. And Dr. Lu, if you could also comment a little bit on your CapEx plans, where I think last cycle things recovered you guys were one of the first to see the turn and put capital equipment back on. You are being I think a little bit more cautious so far in this recovery. Is that just because of the magnitude of the recovery is not there yet, or just because you are doing the Chengdu expansion in addition to the normal CapEx you don't need to do as much this cycle?

Keh-shew Lu - *Diodes, Inc. - President, CEO*

Okay. Actually that is a very good question. It is really, one, because we do put CapEx at about middle or beginning to the middle of last year because in 2011 first half, the signs are very strong, okay. Even after that, we tried to slow ramp a lot of equipment orders for the third quarter you cannot really stop it. And therefore our margins got hurt a little bit in 4Q and even 1Q this year is because we had the capacity, but we did not have demand. So depreciation and excess capacity hurting us. And so at the end we do have excess capacity during, well, right now, we have excess capacity. So we are really prepared and ready if the markets turn. We should have enough capacity to support the upside. Then we will look at it and then we can put in the capacity to support even further strong demand. But we are ready for this the second quarter upside if it is coming.

Steve Smigie - *Diodes, Inc. - Raymond James & Assoc.*

Okay. If I can sneak one last one in. When do you think you will see meaningful return of North American and European revenues such that that will positively impact gross margin? Thanks a lot.

Keh-shew Lu - *Diodes, Inc. - President, CEO*

Well, in 1Q we already see a stronger North America and Europe. Unfortunately, they are not, they are only like 20-something percent of our total revenue. So even their GPM, their product GPM is higher, it probably cannot really offset the capacity under utilization, because of the capacity under utilization. So our GPM recovery is going to strongly depend on the recovery and the capacity utilization.

Steve Smigie - *Diodes, Inc. - Raymond James & Assoc.*

Great. Thank you very much.

Keh-shew Lu - *Diodes, Inc. - President, CEO*

Thank you.

Operator

Your next question comes from Shawn Harrison.

Shawn Harrison - *Longbow Research – Analyst*

Just a follow-up on the comments and the new facility. Is there a way to quantify right now the drag on operating profit, either in dollars or percentage terms just because of that excess capacity?

Keh-shew Lu - *Diodes, Inc. - President, CEO*

I would say very difficult, but I would say this, we probably let's say the SKE our capacity, we are probably some where around 10% to 15% underutilized, but we have one more knob we can turn, it is by changing product mix. Right now I think you know what our strategy is when we are underloaded we try to sell more, or put our product mix to more commodity products, and that is another knob we can turn to improve our GPM percent. Under utilization is one affect us but another one, product mix adjustment is another one we can improve our GPM, when the demand is very strong, then we can adjust the product mix.

Shawn Harrison - *Longbow Research – Analyst*

That is helpful. And then two brief follow-ups. I was wondering with the commentary of new smartphone and Tablet PC wins what that could represent as a percentage of sales maybe mid year or after the first quarter? And then the other question is what do you typically view as June quarter sequential seasonality?

Keh-shew Lu - *Diodes, Inc. - President, CEO*

Let me talk about the sequential, and then I will let Mark answer you on the smartphone and tablets. Typically our second quarter, our first quarter typically 5% to 10% down, but this time we guided flat, okay. And then typically after 5% to 10% down is second quarter, we are typically somewhere around 10% up, okay. But this time it is very difficult to tell because since we say 1Q is flat, and then we really don't know. So we don't see the guidance, we don't give the second quarter guidance yet, and it really depends on how strong the recovery is before we can say it, okay. But you I will let Mark answer you.

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

Regarding we don't really quantify our design wins and we really never have. But in reality we are pretty excited about the progress that we are making in those segments, both with products to support those end-equipment, as well as the design wins on those products. So we put a lot of emphasis in that area, and we have some exciting new stuff to support those marketplaces, and I think we are achieving our objectives in that area. So I think that is as far as I can really quantify it.

Steve Smigie - *Diodes, Inc. - Raymond James & Assoc.*

Okay. Are they categorized in terms of the end market breakout? Does it fall within computing, or is it tablets and computing, and smartphones and communications?

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

They are in consumer, but sometimes the crossover kind of gets mixed up between the end-customer. It is sometimes hard to break it all out. I think that over as we go on computer and consuming are getting more clouded.

Steve Smigie - *Diodes, Inc. - Raymond James & Assoc.*

Very understandable. Thanks so much.

Operator

Your next question comes from the line of Gary Mobley of Benchmark.

Gary Mobley - *The Benchmark Company - Analyst*

Hi everyone. Rick, I was curious about how the ramp of your new facility is going to impact your gross margin in the second half of the year. What will the increased depreciation expense mean to gross margin, if you can measure in margin terms or absolute dollar terms, and then as well what poor yields might mean or low initial yields might mean for the overall gross margin?

Rick White - *Diodes, Inc. – CFO*

So there are really two pieces there. One is the building and gross margin. I think it going to be minimal. If you think about the depreciation schedule for a building or road, or something like that, you are talking about 30 years. The impact is going to be minimal in any one quarter. What we are going to do next year is—

Keh-shew Lu - *Diodes, Inc. – President, CEO*

This year.

Rick White - *Diodes, Inc. – CFO*

2012, this year is we are going to put the [Murphy], what we call the manufacturing equipment related facilities, which are the filters and air conditioning, and that kind of stuff, we are going to delay that until we see the market coming back. That is pretty quick to put in, and we do have this pilot line running. The pilot line is up and running. Yields are pretty good. It is in the 130 million units a month range. And so right now the Chengdu facility — I don’t see it causing us any problem. As we continue into the third and fourth quarter if we continue to run the pilot line where it is, with no ramp then the yields going to be okay, and again I don’t think there is going to be any impact to our gross margins from the Chengdu facility.

Gary Mobley - *The Benchmark Company – Analyst*

Okay. Alright. That is helpful. And with respect to inventories held by your distributors, could you give us a sense measured in days or weeks where channel inventories sit today compared to where they were sitting at this point last quarter?

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

Well, they were down 8%. I don’t have exactly what we quoted last quarter for it, but we are sitting at about 3.5 months.

Gary Mobley - *The Benchmark Company – Analyst*

Okay, alright. Thanks, guys.

Operator

Your next question comes from the line of Stephen Chen, UBS.

Stephen Chin - *UBS – Analyst*

Hi, thanks for taking my questions. Can you hear me okay?

Keh-shew Lu - *Diodes, Inc. - President, CEO*

Yes, sure, Steve.

Stephen Chin - *UBS – Analyst*

Great. Dr. Lu, first question maybe better for you to address specifically about the Chinese market. I guess could you offer some color in terms of Chinese consumer demand, and maybe also government policies if you could in terms of policies that might be a positive for demand creation this year, either from an enterprise or telecom side as well as consumer first?

Keh-shew Lu - *Diodes, Inc. - President, CEO*

Okay. I probably cannot really talk too much about the China local demand, because we have some China local, but allowed our China revenue is for the OEM and fully produced product for global need, okay and that is why we set our facility in export zone, so it is really to support the global requirement not just the China. So it is very difficult for us to separate that portion. If you go to Quanta, Hon Hai, do they sales to local, we don’t really know, okay and our China local disty, they are okay, but we don’t see a major upside or something, we don’t see that. And I don’t know is it because that last year, any strong government control on the money, and it make the consumer very, very conservative or not. I don’t know. But China is still there but inflation is still there, but fortunately salary, you know, government forced salary going up, and so our hope in China market start to turn, but I really don’t have much tell me one way or the other.

Stephen Chin - *UBS – Analyst*

Okay. That is helpful. Another question related to some of the earlier comments about some of the lower priced business that you guys have pursued in recent quarters. If you can help me better understand how you think your customers, whether it is distys or direct customers, how they might be using some of the products they are purchasing? I understand they might be more commodity oriented products, but are they just stocking up as these products that they want from you guys but at a lower price, or do you think they are actually utilizing it in building products in real time during the quarter? I am trying to understand how, what kind of environment would lead to lower price declines?

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

When business gets soft, we have a tendency to go back after business that we have kind of abandoned, okay. As business gets better and as product gets tighter, we get more selective on the pieces of business that we take. So we squeeze our distributors out, our Asian local distributors out of SOT-23s, and so forth. And as business goes in, and they might get that product from somebody else that is cheaper than us and so forth. But when business gets bad, when we push them to push those guys out, and put our product back in. So it is not business that we love to be involved in, but it helps us with our utilization in the softer period. The goal is to be able to, you know, we also use that strategy when we are expanding very rapidly. Well, you can't place a perfect mix when you are adding 100 million units at a time, so what you do is add those units and sell the lower products, and then try to move yourself into your mix. So in good times and in bad times or in expansion times, you use the commodities to try to drive utilization while you try to search for that mix that is more rich.

Keh-shew Lu - *Diodes, Inc. - President, CEO*

And at the same time those commodity products, also our disty, we monitor very closely, so it is not going to sit on the disty's desk, okay. That is not our objective, and it is not our distributors' objective. So disty, if we have commodity we want to ship it, we talk to distributor, and make sure they push it out the door, and it is not just sitting on a desk.

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

Overall I mean the inventory went down 8% in the quarter, so the parts aren't sitting there.

Stephen Chin - *UBS – Analyst*

Okay. Great. Thanks.

Operator

Your next question comes from Vijay Rakesh of Sterne Agee.

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

Just a question, when you look at 2011 besides the product mix, I think the one other thing that affected you was wages in China, right?

Keh-shew Lu - *Diodes, Inc. - President, CEO*

Yes.

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

Wondering how you are looking at it in 2011, the wages and OpEx?

Keh-shew Lu - *Diodes, Inc. - President, CEO*

Okay. Number one not really is the wage itself, okay. It is several things. Number one, gold is one key one. I think we talk about gold price do affect our GPM quite a bit. If you look at 2011, average gold price versus 2010, average gold price is a big increase, okay. This 2012, I don't have it on me, you don't have to tell me, but I think it is there, it is about not really going up.

Another thing is we put out an effort on the copper wire conversion, okay. Now for the general market, we can easily convert, but for the key major customers a lot of them say yes, we will convert it our next design. We don't want to convert it at the current production, and therefore, I hope this year our gold conversion, or copper wire conversion, will be better than last year, because you get more and more design wins, more and more customer especially major customers convert to copper. Those are the ones that really affect our

GPM, and then another one we are talking about move the commodity because the capacity utilization. So those really those key ones, and we had the productivity problem because last year after Chinese New Year, we lost a lot of people, and that productivity problem, I think in my speech we said in 4Q we back to where we were in 4Q 2010. So we are back to where we are hoping, now we will continue to improve our productivity. Now at least, we are recovered back to 2010 fourth quarter.

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

Got it. Of that margin back in 2011 what percentage do you do in fab utilization, what percent was due to gold and what was due to mix?

Keh-shew Lu - *Diodes, Inc. - President, CEO*

I don't have that, I really don't have that. Well, they are all mixed together so it is very difficult to giving give you that.

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

Last question obviously you guys are working on inventory side. Some inventory that picked up ahead of the new year. How do you see that trending here on the inventory side?

Keh-shew Lu - *Diodes, Inc. - President, CEO*

We intentionally are doing that, okay. I think we know you are going to lose the people during the Chinese New Year. That is just something that we are going to fight in every year, and there is no way we can get away from it. So this year we put a lot of precaution, we know this is going to be happening, and that is why in December we just build up almost $2.5 million of the finished goods inventory, and we put almost $1.5 million or $1.3 million of work in process. So basically we are ahead almost $4 million, and so we know Chinese New Year, we are going to lose the people, we know you are going to short month in February, and you know 1Q going to be total short working days. We go through that.

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

Okay. Great. Thanks a lot.

Keh-shew Lu - *Diodes, Inc. - President, CEO*

Okay.

Operator

Your next question from Brian Piccioni from BMO Capital Markets.

Brian Piccioni - *BMO Capital Markets – Analyst*

I am sorry I have got to ask the questions, because you were going through some of the numbers pretty quick for me earlier in the conference call. Can you give the revenue breakdown again please, in terms of segments like consumer electronics, and so on?

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

Yes.

Brian Piccioni - *BMO Capital Markets – Analyst*

Okay.

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

That was –

Keh-shew Lu - *Diodes, Inc. - President, CEO*

Mark?

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

34% of the revenue was consumer, 28% computing, 19% industrial, communications 16%, and automotive 3%.

Brian Piccioni - *BMO Capital Markets – Analyst*

Automotive 3%?

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

Right.

Brian Piccioni - *BMO Capital Markets – Analyst*

Great. I knew I had made a few mistakes there so thanks a lot. In terms of your inventories and this sort of thing, do you have any way of determining whether a significant amount of your inventory is going into grey market channels, or anything like that?

Rick White - *Diodes, Inc. – CFO*

I don't think much of our products ever makes it into grey market product at all.

Brian Piccioni - *BMO Capital Markets – Analyst*

And that would be simply because of the nature of the product?

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

You can generally see your places. We have some places that we give some grey like stock rotation stuff, to and so forth. But we just don't see, to go into the grey market our distributors would have to be dumping in, and we see that in their POS that is not occurring. They do have some level of broker business but that would be just people with specific, they just act as an intermediary, but it is all pretty much above board business.

Brian Piccioni - *BMO Capital Markets – Analyst*

I see. Okay. That is basically it. Thank you.

Keh-shew Lu - *Diodes, Inc. - President, CEO*

Thank you.

Operator

(Operator Instructions). Your next question comes from Christopher Longiaru with Sidoti & Company.

Christopher Longiaru - *Sidoti & Co. – Analyst*

I think Mark said that channel inventory was down about 8%, is that correct?

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

Yes.

Christopher Longiaru - *Sidoti & Co. – Analyst*

Can you give us what it is in weeks and how that relates to what it typically is at this point?

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

It is running right around 3.5 months, and probably it is a half a month high in North America and Europe, and it is probably somewhere between 3 quarters and a month high in Asia, depending on how hot the market is. Asia operates anywhere between 1.8 and 3, depending on the parts of the year.

Christopher Longiaru - *Sidoti & Co. – Analyst*

Then my question becomes it seems like there is still probably a little bit of inventory to reduce, and yet you have kind of bucked seasonal trends partially because of lower comps, but also I guess is all of this excess demand in terms of seasonality basically new products at this point? Is that the major reason for the flat guidance?

Keh-shew Lu - *Diodes, Inc. - President, CEO*

Well, let me answer that and then Mark can follow it, okay. Actually, don't forget, our disty is just like us, we put a lot of finished goods inventory before the Chinese New Year, okay. And so when you cut it off December, Chinese New Year is in middle of January. They are worried about the customer going to shut down during Chinese New Year, so a lot of the people are taking their units and whenever Chinese New Year they can ship alright before or after Chinese New Year, they can ship it to the customer's site, okay. So I am not really concerned that. And another thing we need to remember when you use the month instead of use the dollar, and that depends on what is the POP, and we know in 4Q our POP is very low. So your inventory then you are going to see higher inventory for months point of view, instead of the dollar point of view.

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

And POP was pretty bad in North America and Europe so we are getting even though inventory will continue to decrease we are still going to have improvements in our POP in Q1.

Christopher Longiaru - *Sidoti & Co. – Analyst*

Got it. That is very helpful, guys, thank you.

Operator

And there are no further questions at this time. I would now like to turn the call back over to Dr. Keh-Shew Lu.

Keh-shew Lu - *Diodes, Inc. - President, CEO*

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

Operator

Thank you. Ladies and gentlemen, that concludes the presentation. Thank you for your participation. You may now disconnect. Have a great day, and enjoy the remainder of your week.