

FOR IMMEDIATE RELEASE

Joseph Liu
Chief Financial Officer
Diodes Incorporated
(805) 446-4800

Philip Bourdillon/Ken Kline
Corporate Communications
KBL Associates, Inc.
(818) 583-8091

DIODES ANNOUNCES FIRST QUARTER RESULTS

Westlake Village, California — May 13, 1996 — Diodes Incorporated (ASE: DIO) announced revenues and earnings for its first quarter ended March 31, 1996.

Net sales were \$13,206,000 versus \$14,239,000 in the first quarter of 1995, a decrease of 7.3%. Income from operations was \$1,256,000 (9.5% of sales) versus \$1,506,000 (10.6% of sales) in the comparable period a year ago. Earnings per share were \$0.16 versus \$0.19 in the same period a year ago.

Gross margins were 28.1% versus 27.7% a year ago and 28.1% in the preceding quarter. David Lin, president and CEO of Diodes, said "We are gratified that, notwithstanding lower revenues and earnings, we have not seen the severe price erosion evident throughout the industry as a whole. Given the current competitive environment, we were pleased to be able to maintain our gross margins during the quarter."

The industry's book-to-bill ratio for North America, as reported by the Semiconductor Industry Association (SIA), has been below parity since January. Mr. Lin noted, however, that Diodes' book-to-bill ratio, also below parity, has largely been a function of fewer units shipped, rather than a result of lower prices. Mr. Lin expressed optimism that higher consumer confidence and a resurgence in demand for PCs and related items would result in a stronger sales during the second half of the year.

The recent decline and prolonged softness in new orders were cited by Mr. Lin as indicative of shorter lead times within the industry: "Lead times — the time between the placing of an order and the shipment of the product — are now measured in weeks rather than months, and accordingly OEMs (original equipment manufacturers) are under less pressure to restock in

anticipation of shortages. Moreover, it appears that many OEMs are still working through their existing inventory, as well as their backlog of previously placed orders, rather than entering new orders."

The Company noted that SG&A in the first quarter includes the cost of additions in personnel and systems, as well as beginning implementation of ISO 9000 certification, all aimed at strengthening the Company for future growth. "Enhancements to our sales and marketing capabilities," said Mr. Lin, "were planned well in advance of the current industry-wide slowdown in orders. Our shareholders should understand that these programs, which clearly have a near-term effect on earnings, are nonetheless an essential part of our strategy to build shareholder value."

The strategy includes a recently-announced sourcing agreement with FabTech, Inc., a wafer-fabrication subsidiary of Lite-On Power Semiconductor Corp. (Diodes' largest shareholder), as well as the controlling interest in a joint venture with Shanghai Kai Hong Electronics Company, Ltd. (first announced in June 1995) for the manufacture of SOT-23 devices on mainland China. The Company expects to begin receiving product from both facilities in the fourth quarter of 1996. The Company believes both alliances will help ensure its competitive position when the industry resumes its anticipated growth.

Diodes Incorporated is a leading supplier of discrete semiconductor products to the automotive, electronics/computing and telecommunications industries. Its products include a broad line of standard, zener and signal diodes, bridge rectifiers, small signal transistors, transient voltage suppressors (TVSs), and power MOSFETs.

(Statement of Income Follows)

(Unaudited)

	Three Months Ended	
	March 31,	
	1996	1995
Net sales	\$ 13,206,000	\$ 14,239,000
Cost of goods sold	9,493,000	10,296,000
Gross profit	3,713,000	3,943,000
Selling, general and administrative expenses	2,457,000	2,437,000
Income from operations	1,256,000	1,506,000
Other income (expense)		
Interest income	47,000	11,000
Interest expense	(123,000)	(7,000)
Commissions and other	121,000	72,000
	45,000	76,000
Income before income taxes	1,301,000	1,582,000
Provision for income taxes	453,000	599,000
Net income	\$ 848,000	\$ 983,000
Earnings per common share	\$ 0.16	\$ 0.19
Number of shares used in computation	5,228,123	5,122,255

A copy of the Form 10-Q may be requested from KBL Associates, Inc., 101 East Green Street, Suite 2, Pasadena, California 91105, 818-583-8091; or a request may be e-mailed to: diodes-info@diodes.com. Recent news releases, annual reports, and SEC filings are also available at the Company's website: <http://www.diodes.com>.

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