



## Lattice Semiconductor Updates 2Q12 Guidance

June 14, 2012

HILLSBORO, OR, Jun 14, 2012 (MARKETWIRE via COMTEX) -- Lattice Semiconductor Corporation (NASDAQ: LSCC) today updated its guidance for the second quarter ending June 30, 2012, as growth in strategic accounts is being offset by continued weakness in the worldwide distribution channel, especially Europe.

- Revenue for the second quarter 2012 is now expected to be approximately flat to down 3% on a sequential basis. This compares to prior guidance provided on April 19, 2012 that revenue was expected to be approximately flat to up 4% on a sequential basis.
  
- Gross margin percentage is expected to be approximately 51% plus or minus 1%. This compares with prior guidance for gross margin to be to approximately 55% plus or minus 1%.
  
- Total operating expenses are expected to be approximately \$39.5 million, including approximately \$1.0 million in acquisition related charges (primarily amortization of intangible assets). This is unchanged from prior guidance.

No conference call will be held in conjunction with this guidance update. Additional information will be available when the Company reports its second quarter 2012 results.

### Forward-Looking Statements:

The foregoing paragraphs contain forward-looking statements that involve estimates, assumptions, risks and uncertainties. Such forward-looking statements include statements relating to our business outlook, including those statements relating to expected revenue, gross margin, total operating expenses, and projected acquisition related charges. Other forward-looking statements may be indicated by words such as "will," "could," "should," "would," "expect," "plan," "anticipate," "intend," "forecast," "believe," "estimate," "predict," "propose," "potential," "continue" or the negative of these terms or other comparable terminology. Lattice believes the factors identified below could cause actual results to differ materially from the forward-looking statements.

Estimates of future revenue are inherently uncertain due to, among other things, the high percentage of quarterly "turns" business. In addition, revenue is affected by such factors as global economic conditions, which may affect customer demand, pricing pressures, competitive actions, the demand for our Mature, Mainstream and New products, and in particular our MachXO and LatticeECP3 solutions, the ability to supply products to customers in a timely manner or changes in our distribution relationships. Actual gross margin percentage and operating expenses could vary from the estimates on the basis of, among other things, changes in revenue levels, changes in product pricing and mix, changes in wafer, assembly, test and other costs, including commodity costs, variations in manufacturing yields, the failure to sustain operational improvements, the actual amount of restructuring charges and compensation charges due to stock price changes. Restructuring and tax-related charges may vary from the estimate on the basis of the timing and scope of the restructuring. In addition, our results could vary due to our acquisition of SiliconBlue. We have not had experience operating SiliconBlue or projecting its operating results. The acquisition of a new company carries inherent risks, including our discovering unknown liabilities or encountering unanticipated issues relating to integrating the business with ours. Any unanticipated declines in revenue or gross margin, any unanticipated increases in our operating expenses or unanticipated charges, including without limitation, restructuring charges, or issues with integrating SiliconBlue, could adversely affect our profitability during the quarter.

In addition to the foregoing, other factors that may cause actual results to differ materially from the forward-looking statements in this press release include global economic uncertainty, overall semiconductor market conditions, market acceptance and demand for our new products, the Company's dependencies on its silicon wafer suppliers, the impact of competitive products and pricing, technological and product development risks, and the other risks that are described in this press release and that are otherwise described from time to time in our filings with the Securities and Exchange Commission. The Company does not intend to update or revise any forward-looking statements, whether as a result of events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

### About Lattice Semiconductor:

Lattice is a service-driven developer of innovative low cost, low power programmable design solutions. For more information about how our FPGA, CPLD and programmable power management devices help our customers unlock their innovation, visit [www.latticesemi.com](http://www.latticesemi.com). You can also follow us via Twitter, Facebook, or RSS.

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