AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JULY 20, 2000

REGISTRATION NO. 333-41146

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1 TO FORM S-3 REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

LATTICE SEMICONDUCTOR CORPORATION

(Exact name of Registrant as specified in its Charter)

DELAWARE	5555 N.E. MOORE COURT HILLSBORO, OREGON 97124 (503) 268-8000	93-0835214
(State or other jurisdiction of incorporation or organization)		(I.R.S. Employer Identification Number)

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

CYRUS Y. TSUI
PRESIDENT, CHIEF EXECUTIVE OFFICER AND CHAIRMAN OF THE BOARD OF DIRECTORS
LATTICE SEMICONDUCTOR CORPORATION
5555 N.E. MOORE COURT
HILLSBORO, OREGON 97124
(503) 268-8000
(Name, address, including zip code, and telephone number, including area code, of agent for service)

COPY TO:

JOHN A. FORE WILSON SONSINI GOODRICH & ROSATI, PROFESSIONAL CORPORATION 650 PAGE MILL ROAD PALO ALTO, CALIFORNIA 94304 (650) 493-9300	BRUCE K. DALLAS DAVIS POLK & WARDWELL 1600 EL CAMINO REAL MENLO PARK, CALIFORNIA 94025 (650) 752-2000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as possible after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. / /

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. / /

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / / ______________________________

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / / ______________________________

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. / /

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL

FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

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SUBJECT TO COMPLETION. DATED JULY 20, 2000.

THE INFORMATION IN THIS PRELIMINARY PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. THESE SECURITIES MAY NOT BE SOLD UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PRELIMINARY PROSPECTUS IS NOT AN OFFER TO SELL NOR DOES IT SEEK AN OFFER TO BUY THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER OR SALE IS NOT PERMITTED.

4,000,000 Shares

[LOGO]

Common Stock

The common stock is quoted on the Nasdaq National Market under the symbol "LSCC". The last reported sale price of the common stock on July 19, 2000 was $73.06 per share.

SEE "RISK FACTORS" BEGINNING ON PAGE 7 TO READ ABOUT FACTORS YOU SHOULD CONSIDER BEFORE BUYING SHARES OF OUR COMMON STOCK.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Per Share	Total
Initial price to public	$	$
Underwriting discount	$	$
Proceeds, before expenses, to Lattice	$	$

If the underwriters sell more than 4,000,000 shares of common stock, the underwriters have the option to purchase up to an additional 600,000 shares from Lattice at the public offering price less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on August , 2000.

JOINT BOOKRUNNING MANAGERS

GOLDMAN, SACHS & CO. MORGAN STANLEY DEAN WITTER

PRUDENTIAL VOLPE TECHNOLOGY
a unit of Prudential Securities

Prospectus dated July , 2000.

PROSPECTUS SUMMARY

THIS SUMMARY HIGHLIGHTS INFORMATION WE PRESENT MORE FULLY ELSEWHERE IN THIS PROSPECTUS AND IN THE DOCUMENTS INCORPORATED BY REFERENCE INTO THIS PROSPECTUS. THIS SUMMARY DOES NOT CONTAIN ALL OF THE INFORMATION THAT YOU SHOULD CONSIDER BEFORE BUYING SHARES IN THE OFFERING. YOU SHOULD READ CAREFULLY THE ENTIRE PROSPECTUS AND ALL OF THE DOCUMENTS INCORPORATED BY REFERENCE INTO THIS PROSPECTUS.

LATTICE SEMICONDUCTOR CORPORATION

We design, develop and market high performance programmable logic devices and related software. We are the world's leading supplier of in-system programmable logic devices. Programmable logic devices are widely-used semiconductor components that can be configured by the end customer as specific logic circuits, and enable the end customer to shorten design cycle times and reduce development costs. Our end customers are primarily original equipment manufacturers, in the markets of data communications and telecommunications, as well as computing, industrial and military systems. During the June 2000 quarter, we derived approximately 66% of our $139.9 million in revenue from the communications markets and approximately 20% from the computing market.

Manufacturers of electronic systems are increasingly challenged to bring differentiated products to market quickly. These competitive pressures often preclude the use of custom-designed application specific integrated circuits which generally entail significant design risks and time delay. Standard logic products, an alternative to custom-designed application specific integrated circuits, limit a manufacturer's flexibility to customize an end system. Programmable logic devices give system designers the ability to quickly create their own custom logic circuits, provide product differentiation and rapidly bring products to market.

According to Dataquest, the programmable logic device market in 1999 was approximately $2.6 billion. The programmable logic device market has two primary segments: high-density programmable logic devices, with more than 1,000 logic gates, and low-density programmable logic devices, with fewer than 1,000 logic gates. High-density programmable logic devices include devices based on both the complex programmable logic device and the field programmable gate array architectures. Dataquest estimated that in 1999 the complex programmable logic device market was $0.8 billion and the field programmable gate array market was $1.6 billion.

We offer a full product line in both the high-density complex programmable logic device market and the low-density programmable logic device market. Our strategy has been to continue to increase our market share in the rapidly growing complex programmable logic device market with differentiated proprietary products, software and technology and at present we hold the number two position in this market. Since we introduced our first complex programmable logic device products in 1992, we have continued to focus on increasing the percentage of our total revenue generated by complex programmable logic device products. During the June 2000 quarter, complex programmable logic device revenue accounted for approximately 75% of our total revenue.

Our complex programmable logic device products provide our customers with industry-leading performance, density and number of input/output pins. In addition, we currently offer 29 complex programmable logic device products that operate using a 3.3-volt or 2.5-volt power supply instead of the older 5-volt standard, the largest portfolio of low-voltage complex programmable logic device products in the marketplace. Lower voltage programmable logic devices benefit end users by consuming less power and providing compatibility with other advanced electronic components. We believe that our innovative low-voltage complex programmable logic device products provide us a competitive advantage as our customers transition the power supply of their systems from 5 volts to 3.3 volts.

We pioneered the development of in-system programmability, which has become an industry standard feature in the programmable logic device market. In contrast to standard programmable logic

device programming technologies, in-system programmability allows the system designer to configure and reconfigure a programmable logic device without removing the device from the system board. By enhancing the flexibility of programmable logic devices, in-system programmability provides a number of important benefits to a system manufacturer over the lifecycle of an electronic system product. In-system programmability can allow customers to reduce design cycle times, accelerate time to market, reduce prototyping costs, reduce manufacturing costs, lower inventory requirements and perform simplified and cost-effective field upgrades.

In June 1999, we acquired Vantis Corporation, the programmable logic device subsidiary of Advanced Micro Devices. This acquisition has increased our share of the programmable logic device market, accelerated development of new products and technologies and expanded our penetration into new and existing customers.

Our manufacturing strategy has been to procure silicon wafers for our products from leading manufacturers under current purchase orders and long-term agreements. This has allowed us to avoid the cost of establishing our own wafer fabrication facility.

We sell our products directly to end customers through a network of independent sales representatives and indirectly through a network of distributors. We use a direct sales management and field applications engineering organization together with manufacturers' representatives and distributors to reach a broad base of potential end customers. We believe our distribution channels provide a cost-effective means for reaching end customers.

We were incorporated in Oregon in 1983 and reincorporated in Delaware in 1985. Our principal offices are located at 5555 N.E. Moore Court, Hillsboro, Oregon 97124, our telephone number is (503) 268-8000 and our website can be accessed at www.latticesemi.com. Information contained in our website is not intended to constitute part of this prospectus.

THE OFFERING

Shares offered......................................	4,000,000 shares
Shares to be outstanding after this offering.........	53,446,405 shares
Nasdaq National Market symbol........................	LSCC
Use of proceeds......................................	General corporate purposes, including working capital, and potentially for investments to maintain and expand our wafer supply capacity and for acquisition opportunities that may arise in the future

The number of shares to be outstanding after this offering includes:

- 49,446,405 shares of common stock outstanding at June 30, 2000; and

- 4,000,000 shares of common stock offered in this offering.

The number of shares to be outstanding after this offering excludes:

- 7,404,748 shares of common stock issuable upon exercise of stock options outstanding at June 30, 2000, with a weighted average exercise price of $23.83 per share;

- 3,372,549 shares of common stock available for grant at June 30, 2000 under our 1996 stock option plan;

- 126,000 shares of common stock available for grant at June 30, 2000 under our 1993 directors' stock option plan;

- 319,096 shares of common stock available for issuance at June 30, 2000 under our employee stock purchase plan;

- 313,396 shares of common stock issuable upon exercise of warrants outstanding at June 30, 2000, at a weighted average exercise price of $24.10 per share; and

- 6,274,131 shares of common stock issuable upon conversion of our 4 3/4% convertible subordinated notes.

Except as otherwise indicated, information in this prospectus assumes no exercise of the underwriters' option to purchase additional shares in the offering.

SUMMARY CONSOLIDATED FINANCIAL DATA
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	YEAR ENDED MARCH 31,		NINE MONTH FISCAL PERIOD ENDED DEC. 31,	SIX MONTHS ENDED JUNE 30,		
	1998	1999	1999(1)	1999	PRO FORMA 1999(2)	2000
					(UNAUDITED)	
CONSOLIDATED STATEMENT OF OPERATIONS DATA:						
Revenue	$245,894	$200,072	$269,699	$113,526	$205,378	$265,933
Gross profit	147,011	121,632	161,012	69,902	119,980	162,710
Income (loss) from operations	75,065	51,624	(70,350)	(62,352)	(1,623)	44,541
Net income (loss)	56,567	42,046	(48,146)(3)	(39,315)	(6,419)	121,563(4)
Basic net income (loss) per share	$ 1.22	$ .90	$ (1.01)	$ (.83)	$ (.14)	$ 2.48
Diluted net income (loss) per share	$ 1.18	$ .88	$ (1.01)	$ (.83)	$ (.14)	$ 2.16
Shares used in per share calculations:						
Basic	46,478	46,974	47,714	47,189	47,189	48,987
Diluted	47,788	47,638	47,714	47,189	47,189	58,568

	JUNE 30, 2000	
	ACTUAL	AS ADJUSTED(5)
	(UNAUDITED)	
CONSOLIDATED BALANCE SHEET DATA:		
Cash, cash equivalents and short-term investments	$ 253,581	$ 532,682
Working capital	254,744	533,845
Total assets	1,096,364	1,375,465
Long-term debt	260,000	260,000
Stockholders' equity	634,239	913,340

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(1) In 1999, we changed our fiscal year end from March 31 to December 31. This period includes financial results for our acquisition of Vantis since June 15, 1999. The pro forma results of operations for the period ended December 31, 1999 have been reflected in the Form 8-K filed July 11, 2000, which is incorporated by reference in this prospectus.

(2) Reflects our acquisition of Vantis Corporation. The pro forma unaudited consolidated statement of operations data for the six months ended June 30, 1999 are presented using our unaudited condensed consolidated statement of operations for the six months ended June 30, 1999 combined with Vantis' unaudited condensed consolidated statement of operations for the six months ended July 3, 1999 assuming the transaction occurred on the first day of that period.

(3) Includes the effects of an $89.0 million charge for in-process research and development and the related income tax effects incurred and recorded in conjunction with our acquisition of Vantis on June 15, 1999, and an extraordinary loss of $1.7 million, net of income taxes, for unamortized debt issuance costs related to bank debt retired with the proceeds from our issuance of 4 3/4% convertible subordinated notes during the period. See Notes 4 and 8 to the consolidated financial statements for the period ended December 31, 1999 incorporated by reference in this prospectus.

(4) Includes the effects of a $150 million gain ($92.1 million after-tax) representing the appreciation of investments made in two Taiwanese semiconductor foundry companies. See Note 10 to the unaudited consolidated financial statements for the period ended June 30, 2000 incorporated by reference in this prospectus.

(5) The as adjusted column gives effect to the sale of 4,000,000 shares of common stock at an assumed offering price to the public of $73.063 per share and after deducting an assumed underwriting discount and assuming that the underwriters' option to purchase additional shares in the offering is not exercised.

RISK FACTORS

YOU SHOULD CAREFULLY CONSIDER THE RISKS DESCRIBED BELOW BEFORE MAKING AN INVESTMENT DECISION. IF ANY OF THE FOLLOWING RISKS ACTUALLY OCCURS, OUR BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS COULD BE HARMED. THIS COULD CAUSE THE TRADING PRICE OF OUR COMMON STOCK TO DECLINE, AND YOU MAY LOSE ALL OR PART OF YOUR INVESTMENT.

RISKS RELATED TO OUR BUSINESS

OUR WAFER SUPPLY MAY BE INTERRUPTED OR REDUCED, WHICH MAY RESULT IN A SHORTAGE OF FINISHED PRODUCTS AVAILABLE FOR SALE.

We do not manufacture finished silicon wafers. Currently, all of our silicon wafers are manufactured by Seiko Epson in Japan, AMD in the United States and UMC in Taiwan. If Seiko Epson, through its U.S. affiliate Epson Electronics America, AMD or UMC significantly interrupts or reduces our wafer supply, our operating results could be harmed.

In the past, we have experienced delays in obtaining wafers and in securing supply commitments from our foundries. At present, we anticipate that our supply commitments are adequate. However, these existing supply commitments may not be sufficient for us to satisfy customer demand in future periods. Additionally, notwithstanding our supply commitments we may still have difficulty in obtaining wafer deliveries consistent with the supply commitments. We negotiate wafer prices and supply commitments from our suppliers on at least an annual basis. If any of Seiko Epson, Epson Electronics America, AMD or UMC were to reduce its supply commitment or increase its wafer prices, and we cannot find alternative sources of wafer supply, our operating results could be harmed.

Many other factors that could disrupt our wafer supply are beyond our control. Since worldwide manufacturing capacity for silicon wafers is limited and inelastic, we could be harmed by significant industry-wide increases in overall wafer demand or interruptions in wafer supply. Additionally, a future disruption of Seiko Epson's, AMD's or UMC's foundry operations as a result of a fire, earthquake or other natural disaster could disrupt our wafer supply and could harm our operating results.

IF OUR FOUNDRY PARTNERS EXPERIENCE QUALITY OR YIELD PROBLEMS, WE MAY FACE A SHORTAGE OF FINISHED PRODUCTS AVAILABLE FOR SALE.

We depend on our foundries to deliver reliable silicon wafers with acceptable yields in a timely manner. As is common in our industry, we have experienced wafer yield problems and delivery delays. If our foundries are unable to produce silicon wafers that meet our specifications, with acceptable yields, for a prolonged period, our operating results could be harmed.

Substantially all of our revenue is derived from products based on a specialized silicon wafer manufacturing process technology called E(2)CMOS-Registered Trademark-. The reliable manufacture of high performance E(2)CMOS semiconductor wafers is a complicated and technically demanding process requiring:

- a high degree of technical skill;
- state-of-the-art equipment;
- the absence of defects in the masks used to print circuits on a wafer;
- the elimination of minute impurities and errors in each step of the fabrication process; and
- effective cooperation between the wafer supplier and the circuit designer.

As a result, our foundries may experience difficulties in achieving acceptable quality and yield levels when manufacturing our silicon wafers.

WE MAY BE UNSUCCESSFUL IN DEFINING, DEVELOPING OR SELLING NEW PRODUCTS REQUIRED TO MAINTAIN OR EXPAND OUR BUSINESS.

As a semiconductor company, we operate in a dynamic environment marked by rapid product obsolescence. Our future success depends on our ability to introduce new or improved products that meet customer needs while achieving acceptable margins. If we fail to introduce these new products in a timely manner or these products fail to achieve market acceptance, our operating results would be harmed.

The introduction of new products in a dynamic market environment presents significant business challenges. Product development commitments and expenditures must be made well in advance of product sales. The success of a new product depends on accurate forecasts of long-term market demand and future technology developments.

Our future revenue growth is dependent on market acceptance of our new product families and the continued market acceptance of our software development tools. The success of these products is dependent on a variety of specific technical factors including:

- successful product definition;

- timely and efficient completion of product design;

- timely and efficient implementation of wafer manufacturing and assembly processes;

- product performance; and

- the quality and reliability of the product.

If, due to these or other factors, our new products do not achieve market acceptance, our operating results would be harmed.

OUR PRODUCTS MAY NOT BE COMPETITIVE IF WE ARE UNSUCCESSFUL IN MIGRATING OUR MANUFACTURING PROCESSES TO MORE ADVANCED TECHNOLOGIES.

To develop new products and maintain the competitiveness of existing products, we need to migrate to more advanced wafer manufacturing processes that use larger wafer sizes and smaller device geometries. We also may need to use additional foundries. Because we depend upon foundries to provide their facilities and support for our process technology development, we may experience delays in the availability of advanced wafer manufacturing process technologies at existing or new wafer fabrication facilities. As a result, volume production of our advanced E(2)CMOS process technologies at the new fabs of Seiko Epson, UMC or future foundries may not be achieved. This could harm our operating results.

IF OUR ASSEMBLY AND TEST SUBCONTRACTORS EXPERIENCE QUALITY OR YIELD PROBLEMS, WE MAY FACE A SHORTAGE OF FINISHED PRODUCTS AVAILABLE FOR SALE.

We rely on subcontractors to assemble and test our devices with acceptable quality and yield levels. As is common in our industry, we have experienced quality and yield problems in the past. If we experience prolonged quality or yield problems in the future, our operating results could be harmed.

The majority of our revenue is derived from semiconductor devices assembled in advanced packages. The assembly of advanced packages is a complex process requiring:

- a high degree of technical skill;

- state-of-the-art equipment;

- the absence of defects in lead frames used to attach semiconductor devices to the package;

- the elimination of raw material impurities and errors in each step of the process; and

- effective cooperation between the assembly subcontractor and the device manufacturer.

As a result, our subcontractors may experience difficulties in achieving acceptable quality and yield levels when assembling and testing our semiconductor devices.

DETERIORATION OF CONDITIONS IN ASIA MAY DISRUPT OUR EXISTING SUPPLY ARRANGEMENTS AND RESULT IN A SHORTAGE OF FINISHED PRODUCTS AVAILABLE FOR SALE.

Two of our three silicon wafer suppliers operate fabs located in Asia. Our finished silicon wafers are assembled and tested by independent subcontractors located in Hong Kong, Malaysia, the Philippines, South Korea, Taiwan and Thailand. A prolonged interruption in our supply from any of these subcontractors could harm our operating results.

Economic, financial, social and political conditions in Asia have been volatile. Financial difficulties, governmental actions or restrictions, prolonged work stoppages or any other difficulties experienced by our suppliers may disrupt our supply and could harm our operating results.

Our wafer purchases from Seiko Epson are denominated in Japanese yen. The value of the dollar with respect to the yen fluctuates. Substantial deterioration of dollar-yen exchange rates could harm our operating results.

EXPORT SALES ACCOUNT FOR A SUBSTANTIAL PORTION OF OUR REVENUES AND MAY DECLINE IN THE FUTURE DUE TO ECONOMIC AND GOVERNMENTAL UNCERTAINTIES.

Our export sales are affected by unique risks frequently associated with foreign economies including:

- changes in local economic conditions;

- exchange rate volatility;

- governmental controls and trade restrictions;

- export license requirements and restrictions on the export of technology;

- political instability;

- changes in tax rates, tariffs or freight rates;

- interruptions in air transportation; and

- difficulties in staffing and managing foreign sales offices.

For example, our export sales have been affected by regional economic crises. Significant changes in the economic climate in the foreign countries where we derive our export sales could harm our operating results.

OUR FUTURE QUARTERLY OPERATING RESULTS MAY FLUCTUATE AND THEREFORE MAY FAIL TO MEET EXPECTATIONS.

Our quarterly operating results have fluctuated and may continue to fluctuate. Consequently, our operating results may fail to meet the expectations of analysts and investors. As a result of industry conditions and the following specific factors, our quarterly operating results are more likely to fluctuate and are more difficult to predict than a typical non-technology company of our size and maturity:

- general economic conditions in the countries where we sell our products;

- the timing of our and our competitors' new product introductions;

- product obsolescence;

- the scheduling, rescheduling and cancellation of large orders by our customers;

- the cyclical nature of demand for our customers' products;

- our ability to develop new process technologies and achieve volume production at the new fabs of Seiko Epson, UMC or at other foundries;

- changes in manufacturing yields;

- adverse movements in exchange rates, interest rates or tax rates; and

- the availability of adequate supply commitments from our wafer foundries and assembly and test subcontractors.

As a result of these factors, our past financial results are not necessarily a good predictor of our future results.

OUR STOCK PRICE MAY CONTINUE TO EXPERIENCE LARGE SHORT-TERM FLUCTUATIONS.

In recent years, the price of our common stock has fluctuated greatly. These price fluctuations have been rapid and severe and have left investors little time to react. The price of our common stock may continue to fluctuate greatly in the future due to a variety of company specific factors, including:

- quarter-to-quarter variations in our operating results;

- shortfalls in revenue or earnings from levels expected by securities analysts; and

- announcements of technological innovations or new products by other companies.

RISKS RELATED TO OUR INDUSTRY

THE CYCLICAL NATURE OF THE SEMICONDUCTOR INDUSTRY MAY LIMIT OUR ABILITY TO MAINTAIN OR INCREASE REVENUE AND PROFIT LEVELS DURING FUTURE INDUSTRY DOWNTURNS.

The semiconductor industry is cyclical. Our financial performance has been negatively affected by significant downturns in the semiconductor industry as a result of:

- the cyclical nature of the demand for the products of semiconductor customers;

- general reductions in inventory levels by customers;

- excess production capacity; and

- accelerated declines in average selling prices.

If these or other conditions in the semiconductor industry occur, our operating results could be harmed.

WE MAY NOT BE ABLE TO SUCCESSFULLY COMPETE IN THE HIGHLY COMPETITIVE SEMICONDUCTOR INDUSTRY.

The semiconductor industry is intensely competitive and many of our direct and indirect competitors have substantially greater financial, technological, manufacturing, marketing and sales resources. If we are unable to compete successfully in this environment, our operating results could be harmed.

The current level of competition in the programmable logic market is high and may increase as our market expands. We currently compete directly with companies that have licensed our products and technology or have developed similar products. We also compete indirectly with numerous semiconductor companies that offer products and solutions based on alternative technologies. These direct and indirect competitors are established multinational semiconductor companies as well as emerging companies. We also may experience significant competition from foreign companies in the future.

WE MAY FAIL TO RETAIN OR ATTRACT THE SPECIALIZED TECHNICAL AND MANAGEMENT PERSONNEL REQUIRED TO SUCCESSFULLY OPERATE OUR BUSINESS.

To a greater degree than most non-technology companies or larger technology companies, our future success depends on our ability to attract and retain highly qualified technical and management personnel. As a mid-sized company, we are particularly dependent on a relatively small group of key employees. Competition for skilled technical and management employees is intense within our industry. As a result, we may be unable to retain our existing key technical and management personnel or attract additional qualified employees. If we are unable to retain existing key employees or hire new qualified employees, our operating results could be harmed.

IF WE ARE UNABLE TO ADEQUATELY PROTECT OUR INTELLECTUAL PROPERTY RIGHTS, OUR FINANCIAL RESULTS AND COMPETITIVE POSITION MAY SUFFER.

Our success depends, in part, on our proprietary technology. However, we may fail to adequately protect this technology. As a result, we may lose our competitive position or face significant expense to protect or enforce our intellectual property rights.

We intend to continue to protect our proprietary technology through patents, copyrights and trade secrets. Despite this intention, we may not be successful in achieving adequate protection. Claims allowed on any of our patents may not be sufficiently broad to protect our technology. Patents issued to us also may be challenged, invalidated or circumvented. Finally, our competitors may develop similar technology independently.

Companies in the semiconductor industry vigorously pursue their intellectual property rights. If we become involved in protracted intellectual property disputes or litigation we may use substantial financial and management resources, which could harm our operating results.

We may also be subject to future intellectual property claims or judgements. If these were to occur, we may not be able to obtain a license on favorable terms or without our operating results being harmed.

YOU SHOULD NOT RELY ON FORWARD-LOOKING STATEMENTS BECAUSE THEY ARE INHERENTLY UNCERTAIN

This prospectus, including the documents that we incorporate by reference, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Any statements about our expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. We use words or phrases such as "anticipate," "estimate," "plans," "project," "continuing," "ongoing," "expect," "management believes," "we believe," "we intend" and similar words or phrases to identify forward-looking statements.

Forward-looking statements involve estimates, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this prospectus. Among the key factors that could cause our actual results to differ materially from the forward-looking statements are:

- delay in product or technology development;

- change in economic conditions of the various markets we serve;

- lack of market acceptance or demand for our new products;

- dependencies on silicon wafer suppliers and semiconductor assemblers;

- the impact of competitive products and pricing;

- opportunities or acquisitions that we pursue; and

- the availability and terms of financing.

You should not unduly rely on forward-looking statements because our actual results could materially differ from those expressed in any forward-looking statements made by us. Further, any forward-looking statement applies only as of the date on which it is made. We are not required to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events.

USE OF PROCEEDS

The net proceeds we will receive from our sale of the 4,000,000 shares of common stock in this offering are estimated to be $279.1 million, or $321.0 million if the underwriters exercise in full their option to purchase additional shares in the offering. These estimates are calculated based on an assumed public offering price of $73.063 per share and after deducting an assumed underwriting discount.

We intend to use the net proceeds for general corporate purposes, including working capital, and potentially for investments in order to maintain and expand our wafer supply capacity.

We may, when and if the opportunity arises, use a portion of the net proceeds to acquire complementary products, technologies or businesses. Until we use the net proceeds of this offering, we intend to invest the net proceeds in interest-bearing, investment-grade securities.

COMMON STOCK PRICE RANGE

Our common stock is quoted on the Nasdaq National Market under the symbol "LSCC". The following table sets forth the low and high last reported sale prices for our common stock for the last two fiscal years and for the period since January 1, 2000. On July 19, 2000, the last reported sale price of our common stock was $73.063. As of July 18, 2000, we had approximately 587 stockholders of record.

	LOW	HIGH
Fiscal year ended March 31, 1999		
First quarter	$13.438	$26.563
Second quarter	11.875	18.313
Third quarter	9.562	22.953
Fourth quarter	19.125	27.500
Fiscal period ended December 31, 1999		
First quarter	$19.812	$31.125
Second quarter	26.938	34.500
Third quarter	28.125	53.750
Fiscal year ending December 31, 2000		
First quarter	$41.625	$79.062
Second quarter	51.500	82.688
Third quarter (through July 19, 2000)	63.250	78.563

All share amounts have been adjusted retroactively to reflect the two-for-one stock split effected in the form of a stock dividend of one share of common stock for each share of our outstanding common stock that was paid on September 16, 1999.

DIVIDEND POLICY

The payment of dividends on our common stock is within the discretion of our board of directors. Currently, we intend to retain earnings to finance the growth of our business. We have not paid cash dividends on our common stock, and the board of directors does not expect to declare cash dividends on the common stock in the near future.

CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2000 on an actual basis and as adjusted to give effect to the sale of the 4,000,000 shares of common stock, at an assumed offering price to the public of $73.063 per share and after deducting an assumed underwriting discount and assuming the underwriters' option to purchase additional shares in the offering is not exercised. This table should be read in conjunction with our consolidated financial statements, related notes and the other information included or incorporated by reference in this prospectus.

	JUNE 30, 2000	
	ACTUAL	AS ADJUSTED
	(IN THOUSANDS)	
Long-term obligations:		
Long-term debt	$260,000	$ 260,000
Other long-term liabilities	16,994	16,994
Total long-term obligations	276,994	276,994
Stockholders' equity:		
Preferred stock, $0.01 par value; 10,000,000 shares authorized; none issued or outstanding, actual and as adjusted	--	--
Common stock, $0.01 par value; 300,000,000 shares authorized; 49,446,405 shares issued and outstanding, actual and 53,446,405 shares issued and outstanding, as adjusted	494	534
Paid-in capital	303,575	582,636
Other comprehensive loss	(3,455)	(3,455)
Retained earnings	333,625	333,625
Total stockholders' equity	634,239	913,340
Total capitalization	$911,233	$1,190,334

The table above excludes:

- 7,404,748 shares of common stock issuable upon exercise of stock options outstanding at June 30, 2000, with a weighted average exercise price of $23.83 per share;

- 3,372,549 shares of common stock available for grant at June 30, 2000 under our 1996 stock option plan;

- 126,000 shares of common stock available for grant at June 30, 2000 under our 1993 directors' stock option plan;

- 319,096 shares of common stock available for issuance at June 30, 2000 under our employee stock purchase plan;

- 313,396 shares of common stock issuable upon exercise of warrants outstanding at June 30, 2000, at a weighted average exercise price of $24.10 per share;

- 6,274,131 shares of common stock issuable upon conversion of our 4 3/4% convertible subordinated notes.

SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated financial data should be read in conjunction with our consolidated financial statements, related notes and other financial information incorporated herein by reference and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus. The consolidated statement of operations data for the fiscal years ended March 31, 1998 and March 31, 1999, and for the nine months ended December 31, 1999, and the consolidated balance sheet data as of March 31, 1998, March 31, 1999 and December 31, 1999 are derived from the audited consolidated financial statements previously filed with the SEC. The consolidated statement of operations data for the six months ended June 30, 1999 and June 30, 2000 and the consolidated balance sheet data as of June 30, 2000 are derived from our unaudited consolidated financial statements and include, in the opinion of management, all adjustments, including normal recurring adjustments, necessary to present fairly the financial information therein. These results are not necessarily indicative of the results that may be expected for future periods. All per share data below has been adjusted to reflect a two-for-one stock split effected in the form of a stock dividend that was paid on September 16, 1999.

	FISCAL YEAR ENDED		NINE MONTH FISCAL PERIOD ENDED	SIX MONTHS ENDED (UNAUDITED)	
	MARCH 31, 1998	MARCH 31, 1999	DECEMBER 31, 1999(1)(2)	JUNE 30, 1999	JUNE 30, 2000
	(IN THOUSANDS, EXCEPT PER SHARE DATA)				
CONSOLIDATED STATEMENT OF OPERATIONS DATA:					
Revenue	$245,894	$200,072	$269,699	$113,526	$ 265,933
Costs and expenses:					
Cost of products sold	98,883	78,440	108,687	43,624	103,223
Research and development	32,012	33,190	45,903	18,766	37,649
Selling, general and administrative	39,934	36,818	50,676	20,321	39,451
In-process research and development	--	--	89,003	89,003	--
Amortization of intangible assets	--	--	45,780	4,164	41,069
Total costs and expenses	170,829	148,448	340,049	175,878	221,392
Income (loss) from operations	75,065	51,624	(70,350)	(62,352)	44,541
Gain on appreciation of foundry investments	--	--	--	--	149,960(3)
Other income (expense), net	10,643	10,668	(4,120)	4,665	(2,152)
Income (loss) before provision (benefit) for income taxes	85,708	62,292	(74,470)	(57,687)	192,349
Provision (benefit) for income taxes	29,141	20,246	(27,989)	(18,372)	70,786
Income (loss) before extraordinary item	56,567	42,046	(46,481)	(39,315)	121,563
Extraordinary item, net of income taxes	--	--	(1,665)	--	--
Net income (loss)	$ 56,567	$ 42,046	$(48,146)	$(39,315)	$ 121,563
Basic net income (loss) per share, before extraordinary item	$ 1.22	$ .90	$ (.97)	$ (.83)	$ 2.48
Diluted net income (loss) per share, before extraordinary item	$ 1.18	$ .88	$ (.97)	$ (.83)	$ 2.16
Basic net income (loss) per share	$ 1.22	$ .90	$ (1.01)	$ (.83)	$ 2.48
Diluted net income (loss) per share	$ 1.18	$ .88	$ (1.01)	$ (.83)	$ 2.16
Shares used in per share calculations:					
Basic	46,478	46,974	47,714	47,189	48,987
Diluted	47,788	47,638	47,714	47,189	58,568

	MARCH 31, 1998	MARCH 31, 1999	DECEMBER 31, 1999	JUNE 30, 2000
				(UNAUDITED)
			(IN THOUSANDS)	
CONSOLIDATED BALANCE SHEET DATA:				
Cash, cash equivalents and short-term investments	$267,110	$319,434	$214,140	$ 253,581
Working capital	283,678	324,204	152,758	254,744
Total assets	489,066	540,896	916,155	1,096,364
Long-term debt	--	--	260,000	260,000
Stockholders' equity	434,686	483,734	482,773	634,239

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(1) In 1999, we changed our fiscal year end from March 31 to December 31. This period includes financial results for our acquisition of Vantis since June 15, 1999.

(2) Includes the effects of an $89.0 million charge for in-process research and development and the related income tax effects incurred and recorded in conjunction with our acquisition of Vantis on June 15, 1999, and an extraordinary loss of $1.7 million, net of income taxes, for unamortized debt issuance costs related to bank debt retired with the proceeds from our issuance of 4 3/4% convertible subordinated notes during the period. See Notes 4 and 8 to the consolidated financial statements for the period ended December 31, 1999 incorporated by reference in this prospectus.

(3) Includes the effects of a $150 million gain ($92.1 million after-tax) representing the appreciation of investments made in two Taiwanese semiconductor foundry companies. See Note 10 to the unaudited consolidated financial statements for the period ended June 30, 2000 incorporated by reference in this prospectus.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

We design, develop and market high performance programmable logic devices, or PLDs, and related software. We are the world's leading supplier of in-system programmable, or ISP-TM-, logic devices. PLDs are widely used semiconductor components that can be configured by the end customer as specific logic circuits, and enable the end customer to shorten design cycle times and reduce development costs. Our products are sold worldwide through an extensive network of independent sales representatives and distributors, primarily to OEMs in the fields of data communications and telecommunications, as well as computing, industrial and military systems. Approximately one-half of our revenue is derived from export sales, mainly to Europe and Asia. We were founded in 1983 and are based in Hillsboro, Oregon.

In June 1999, we acquired Vantis Corporation from Advanced Micro Devices ("AMD") for approximately $500 million in cash. The transaction was accounted for under the purchase method in our consolidated financial statements beginning in the period ended July 3, 1999. We have also agreed with AMD to sign a mutual election under the Internal Revenue Code that will allow us to deduct the purchase price for tax purposes over a 15-year period. We believe that this acquisition has increased our share of the PLD market, accelerated development of new products and technologies and expanded our penetration into new and existing customers.

In March 1997, we entered into an advance payment production agreement with Seiko Epson and its affiliated U.S. distributor, Epson Electronics America, Inc., under which we agreed to advance approximately $85 million, payable upon completion of specific milestones, to Seiko Epson to finance construction of an eight-inch sub-micron wafer manufacturing facility. Under the terms of the agreement, the advance is to be repaid with semiconductor wafers over a multi-year period. The agreement calls for wafers to be supplied by Seiko Epson through Epson Electronics America, Inc. pursuant to purchase agreements with Epson Electronics America, Inc. We also have an option under this agreement to advance Seiko Epson an additional $60 million for additional wafer supply under similar terms. The first payment pursuant to this agreement, approximately $17.0 million, was made during fiscal 1997. During fiscal 1998, we made two additional payments aggregating approximately $34.2 million. The balance of the advance payment is currently anticipated to be made in two installments during fiscal 2000.

In September 1995, we entered into a series of agreements with UMC pursuant to which we agreed to join UMC and several other companies to form a separate Taiwanese company, UICC, for the purpose of building and operating an advanced semiconductor manufacturing facility in Taiwan. Under the terms of the agreement, we invested approximately $49.7 million between fiscal 1996 and fiscal 1998 for an approximate 10% equity interest in UICC and the right to purchase a percentage of the facility's wafer production at market prices.

In October 1996, we entered into an agreement with Utek Corporation, a public Taiwanese company in the wafer foundry business that became affiliated with the UMC Group in 1998, pursuant to which we agreed to make a series of equity investments totaling approximately $17.5 million in Utek under specific terms. In exchange for these investments we received the right to purchase a percentage of Utek's wafer production.

On January 3, 2000, UICC and Utek merged into UMC. We own approximately 73 million shares of UMC common stock and have retained our capacity rights. Due to contractual and regulatory restrictions, the majority of our UMC shares may not be sold until July 2000. These regulatory restrictions will gradually expire between July 2000 and January 2004.

In the fourth quarter of calendar 1999, we changed our reporting period to a 52 or 53 week year ending on the Saturday closest to December 31 from a 52 or 53 week fiscal year ending on the Saturday closest to March 31. For ease of presentation, December 31, March 31 and June 30 have been utilized as the fiscal period end dates for all financial statement captions. Additionally, for purposes of these

consolidated financial statements, the three-month and six-month fiscal periods ended July 3, 1999 are referred to as "the second quarter of 1999" and "the first six months of 1999", respectively. The three-month and six-month fiscal periods ended July 1, 2000 are referred to as "the second quarter of 2000" and "the first six months of 2000", respectively. In the consolidated financial statements, the first six months of 1999 includes the fourth quarter of the twelve-month fiscal year ended March 31, 1999, and the first quarter of the nine-month fiscal period ended December 31, 1999.

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, the percentage of revenue represented by selected items reflected in our consolidated statement of operations:

	YEAR ENDED MARCH 31,		NINE MONTH FISCAL PERIOD ENDED DECEMBER 31,	SIX MONTHS ENDED JUNE 30,	
	1998	1999	1999	1999	2000
Revenue	100%	100%	100%	100%	100%
Costs and expenses:					
Cost of products sold	40	39	40	38	39
Research and development	13	17	17	17	14
Selling, general and administrative	16	18	19	18	15
In-process research and development	--	--	33	78	--
Amortization of intangible assets	--	--	17	4	15
Total costs and expenses	69	74	126	155	83
Income (loss) from operations	31	26	(26)	(55)	17
Gain on appreciation of foundry investments	--	--	--	--	56
Other income (expense), net	4	5	(2)	4	(1)
Income (loss) before provision (benefit) for income taxes	35	31	(28)	(51)	72
Provision (benefit) for income taxes	12	10	(11)	(16)	26
Income (loss) before extraordinary item	23	21	(17)	(35)	46
Extraordinary item, net of income taxes	--	--	(1)	--	--
Net income (loss)	23%	21%	(18)%	(35)%	46%

THREE AND SIX MONTHS ENDED JUNE 30, 2000 COMPARED TO THREE AND SIX MONTHS ENDED JUNE 30, 1999

REVENUE. Revenue for the second quarter and first six months of 2000 increased $80.1 million and $152.4 million or 134% and 134% as compared to the same calendar periods of 1999, respectively. In addition to our acquisition of Vantis, the revenue increases are attributable to increased sales of high density products in all geographic areas.

Overall average selling prices increased slightly in the second quarter and first six months of 2000 as compared to the same calendar periods of 1999. Fluctuations in overall average selling prices were due primarily to product mix changes. Although selling prices of mature products generally decline over time, this decline is at times offset by higher selling prices of new products. Our ability to achieve revenue growth is in large part dependent on the continued development, introduction and market acceptance of new products. See "Risk Factors".

GROSS MARGIN. Gross margin as a percentage of revenue was 61.7% and 61.2% in the second quarter and first six months of 2000 as compared to 61.7% and 61.6% in the same calendar periods of 1999, respectively. The gross margin improvement in the second quarter of 2000 compared to recent prior periods is primarily due to reductions in our manufacturing costs and improvements in our product

mix while the decline in gross margin when comparing the first six months of 2000 to the comparable calendar period of 1999 is due to the acquisition of Vantis on June 15, 1999. The decline was partially offset by an improvement in product mix and reductions in our manufacturing costs. Reductions in manufacturing costs resulted primarily from yield improvements, migration of products to more advanced technologies and smaller die sizes, and wafer price reductions.

RESEARCH AND DEVELOPMENT. Research and development ("R&D") expenses increased by approximately 96% and 101%, in the second quarter and first six months of 2000 when compared to the same calendar periods in 1999, respectively. In addition to the acquisition of Vantis, spending increases resulted primarily from the development of new products. We believe that a continued commitment to research and development is essential in order to maintain product leadership of our existing product families and to provide innovative new product offerings, and therefore we expect to continue to make significant future investments in research and development.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSE. Selling, general and administrative ("SG&A") expenses increased 84% and 94%, in the second quarter and first six months of 2000 when compared to the same calendar periods of 1999, respectively. This increase was primarily due to our Vantis acquisition, and to a lesser extent, increased variable costs associated with higher revenue levels.

IN-PROCESS RESEARCH AND DEVELOPMENT COSTS. In-process research and development costs of approximately $89.0 million were recorded on June 15, 1999 in connection with the acquisition of Vantis, and are further described in Note 3 to the unaudited Consolidated Financial Statements for the period ended June 30, 2000 in our Form 10-Q, filed July 20, 2000, which is incorporated herein by reference.

AMORTIZATION OF INTANGIBLE ASSETS. Amortization of intangible assets acquired in the Vantis acquisition were $20.7 million and $41.1 million for the second quarter and first six months of 2000, respectively, compared to $4.2 million for each of the comparable calendar periods of calendar 1999, respectively. The estimated weighted average useful life of the intangible assets for current technology, assembled workforce, customer lists, trademarks, patents and residual goodwill, created as a result of the acquisition, is approximately five years.

GAIN ON APPRECIATION OF FOUNDRY INVESTMENTS. The gain on appreciation of foundry investments in the first half of 2000 was recorded on January 3, 2000 and represents appreciation of foundry investments made in two Taiwanese companies, UICC and Utek (see Note 10 to the unaudited Consolidated Financial Statements for the period ended June 30, 2000 in our Form 10-Q, filed July 20, 2000).

OTHER INCOME (EXPENSE), NET. Other income (expense), net decreased by approximately $2.8 million and $6.8 million in the second quarter and first six months of 2000 as compared to the same periods of calendar 1999, respectively. This was primarily due to interest expense and amortization of debt issuance costs of approximately $3.5 million and $7.1 million in the three and six month periods ended June 30, 2000, respectively, from acquisition related debt and reduced interest income resulting from lower cash and investment balances related to our acquisition of Vantis.

PROVISION FOR INCOME TAXES. The provision (benefit) for income taxes for the second quarter and first six months of 2000 results in effective tax rates of 33.6% and 36.8% of pretax income, as compared to (32.0)% and (31.8%) for the same calendar periods of 1999, respectively. The tax benefit in the second quarter and first six months of 1999 is attributable to the tax effect of the In-process Research and Development cost recognized on June 15, 1999 resulting from the Vantis acquisition. The declining tax rate in the second quarter as compared to the first six months of 2000 is attributable to the application of our marginal tax rate on the unrealized gain on appreciation of foundry investments on January 3, 2000. The effective rate for the second quarter of 2000 of 33.6% is lower than the statutory rate primarily because of tax exempt investment income and tax credits.

FISCAL PERIOD ENDED DECEMBER 31, 1999, FISCAL YEAR 1999 AND FISCAL YEAR 1998

REVENUE. Revenue was $269.7 million in fiscal period 1999, an increase of 35% from fiscal year 1999. Fiscal year 1999 revenue of $200.1 million represented a decrease of 19% from the $245.9 million recorded in fiscal year 1998.

In addition to our acquisition of Vantis, the revenue increase in fiscal period 1999 as compared to fiscal year 1999 was attributable to increased sales of ISP products and recovering demand from Asia. Fiscal year 1999 revenue as compared to fiscal 1998 was negatively impacted by a decline in demand from Asia due to the economic crisis in that region. Furthermore, revenue in all geographic areas was negatively impacted by a decline in demand for our non-ISP product families.

Our sales by geographic area were as follows:

	YEAR ENDED MARCH 31, 1998	YEAR ENDED MARCH 31, 1999	NINE MONTH FISCAL PERIOD ENDED DECEMBER 31, 1999
	(IN THOUSANDS)		
United States	$120,278	$100,778	$126,333
Export sales:			
Europe	61,243	53,649	70,641
Asia	55,853	34,680	55,003
Other	8,520	10,965	17,722
	$245,894	$200,072	$269,699

Revenue from export sales as a percentage of total revenue was approximately 53% for fiscal period 1999, 50% for fiscal year 1999 and 51% for fiscal year 1998. We expect export sales to continue to represent a significant portion of revenue.

The average selling price of our products decreased slightly in fiscal period 1999 as compared to fiscal year 1999. The average selling price of our products was flat in fiscal year 1999 as compared to fiscal year 1998. The decrease in fiscal period 1999 was due primarily to changes in product mix. Although selling prices of mature products generally decline over time, this decline is at times offset by higher selling prices of new products. Our ability to maintain or increase the level of our average selling price is dependent on the continued development, introduction and market acceptance of new products.

GROSS MARGIN. Our gross margin as a percentage of revenue was 60% for fiscal period 1999, 61% for fiscal year 1999 and 60% for fiscal year 1998. The gross margin decline in fiscal period 1999 as compared to fiscal year 1999 is attributable to our acquisition of Vantis on June 15, 1999. The decline was partially offset by an improvement in product mix and reductions in our manufacturing costs. The improvement in fiscal year 1999 as compared to fiscal year 1998 was primarily due to an improvement in product mix and reductions in our manufacturing costs. Reductions in manufacturing costs resulted primarily from yield improvements, migration of products to more advanced technologies and smaller die sizes, and wafer price reductions.

RESEARCH AND DEVELOPMENT. Research and development expense was $45.9 million in fiscal period 1999, $33.2 million in fiscal year 1999 and $32.0 million in fiscal year 1998. For fiscal period 1999, in addition to our acquisition of Vantis, spending increases resulted primarily from the increased development of new products. Spending increases in fiscal year 1999 as compared to fiscal year 1998 resulted primarily from the increased development of new products. We believe that a continued commitment to research and development is essential in order to maintain product leadership in our existing product families and provide innovative new product offerings, and therefore we expect to continue to make significant future investments in research and development.

SELLING, GENERAL AND ADMINISTRATIVE. Selling, general and administrative expense was $50.7 million in fiscal period 1999, $36.8 million in fiscal year 1999 and $39.9 million in fiscal year 1998. The increase in the 1999 fiscal period as opposed to fiscal year 1999 was primarily due to our Vantis acquisition and to a lesser extent attributable to increased variable costs associated with higher revenue levels. The decrease in fiscal year 1999 expense as compared to fiscal year 1998 was primarily due to decreased variable costs associated with lower revenue levels.

IN-PROCESS RESEARCH AND DEVELOPMENT. On June 15, 1999, we bought from AMD all of the outstanding capital stock of Vantis Corporation for approximately $500 million in cash in a transaction accounted for under the purchase method of accounting. Including liabilities assumed and purchase accounting reserves established, the total purchase cost was $583.1 million, of which $511.6 million was allocated to intangible assets. A portion of the intangible asset value was in-process research and development, or IPR&D, with a value of approximately $89 million which was charged to expense on the acquisition date as required by generally accepted accounting principles. The remaining $422.6 million of intangible asset value consisting of existing technology, assembled workforce, customer lists, patents, trademarks and goodwill, is being amortized to operations over 5 years using the straight-line method.

AMORTIZATION OF INTANGIBLE ASSETS. Amortization of intangible assets acquired in the Vantis acquisition was $45.8 million for fiscal period 1999. The estimated weighted average useful life of the intangible assets for current technology, assembled workforce, customer lists, trademarks, patents and residual goodwill, created as a result of the acquisition, is approximately five years.

OTHER INCOME (EXPENSE), NET. Other income (expense), net, was ($4.1) million for fiscal period 1999, a $14.8 million decrease as compared to fiscal year 1999. This was primarily due to interest expense of approximately $9.7 million from acquisition related debt and reduced interest income resulting from lower cash and investment balances in conjunction with the acquisition. Other income (expense), net, was approximately flat for fiscal year 1999 as compared to fiscal year 1998, as higher cash and investment balances were offset by lower interest rates for invested balances, particularly in the second half of the fiscal year.

PROVISION FOR INCOME TAXES. The benefit for income taxes for fiscal period 1999 was 37.6% of the loss before benefit for income taxes. This reflects the estimated rate at which income taxes would be recoverable if a loss tax return were filed. The loss before benefit for income taxes is attributable to the IPR&D charge during the period of approximately $89.0 million and intangible asset amortization of $45.8 million. If these charges were not present, we would have had taxable income and an income tax rate of approximately 36.5%. Our effective tax rate was 32.5% for fiscal year 1999 and 34.0% for fiscal year 1998. The rate change in fiscal year 1999 as compared to fiscal year 1998 was due primarily to changes in the proportion of tax-exempt interest income included in our overall net income. The fiscal 1999 tax rate was also favorably impacted by reduced state taxes resulting from the increased realization of tax credits.

EXTRAORDINARY ITEM, NET OF INCOME TAXES. The extraordinary item, net of income taxes, represents the writeoff of unamortized loan fees related to the $220 million term loan repaid in conjunction with the placement of our 4 3/4% convertible subordinated notes.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As of June 30, 2000 and December 31, 1999, our investment portfolio consisted of fixed income securities of $227.6 million and $182.1 million, respectively. As with all fixed income instruments, these securities are subject to interest rate risk and will decline in value if market interest rates increase. If market rates were to increase immediately and uniformly by 10% from levels as of June 30, 2000 and December 31, 1999, the decline in the fair value of the portfolio would not be material. Further, we have the ability to hold our fixed income investments until maturity and, therefore, we would not expect to recognize such an adverse impact in income or cash flows.

We have an international subsidiary and branch operations. Additionally, the majority of our silicon wafer purchases are denominated in Japanese yen. We are, therefore, subject to foreign currency rate exposure. To mitigate rate exposure with respect to yen-denominated wafer purchases, we maintain yen-denominated bank accounts and bill our Japanese customers in yen. The yen bank deposits are used to hedge yen-denominated wafer purchases against specific and firm wafer purchases. If the foreign currency rates fluctuate by 10% from rates at June 30, 2000 and December 31, 1999, the effect on our consolidated financial statements would not be material. However, there can be no assurance that there will not be a material impact in the future.

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2000, our principal source of liquidity was $253.6 million of cash and short-term investments, an increase of $39.4 million from the balance of $214.1 million at December 31, 1999. The increase was due primarily to cash generated from operations and exercises of stock options. During the first six months of 2000, we generated approximately $22.7 million of cash and cash equivalents from our operating activities as compared with $43.1 million during the first six months of 1999. This change is attributable to working capital accounts as further described below.

Accounts receivable at June 30, 2000 increased by $52.6 million, or 156%, as compared to the balance at December 31, 1999. This increase was primarily due to increased revenue levels and the timing of shipments and collections within the quarter. Inventories at June 30, 2000 increased by $10.6 million, or 41%, as compared to the balance at December 31, 1999 primarily due to increased production in response to higher revenue levels. Prepaid expenses and other current assets at June 30, 2000 increased by $11.4 million, or 109% as compared to the balance at December 31, 1999 primarily due to an increase in the current portion of wafer supply advances. Current deferred income tax assets at June 30, 2000 increased $11.9 million, or 40%, as compared to the balance at December 31, 1999 primarily due to the increase in deferred income on sales to distributors which is recognized currently for income tax purposes, and to a lesser extent the timing of deductions for certain expenses and allowances. Foundry investments, advances and other assets at June 30, 2000 increased by $133.6 million, or 103% as compared to December 31, 1999 primarily due to a gain on appreciation of foundry investments as discussed in Note 10 to the unaudited Consolidated Financial Statements for the period ended June 30, 2000 in our Form 10-Q, filed July 20, 2000. The decrease in non-current deferred income taxes of $39.1 million at June 30, 2000 as compared to December 31, 1999 is due to a reclassification of this balance to non-current deferred tax liabilities. Intangible assets, net, at June 30, 2000 decreased by $45.8 million, or 12% as compared to the balance at December 31, 1999, primarily due to goodwill and other intangibles amortization.

Deferred income on sales to distributors at June 30, 2000 increased by $22.1 million, or 49%, as compared to the balance at December 31, 1999, due primarily to increased billings to distributors associated with higher revenue levels. The $3.9 million, or 31% increase in income taxes payable at June 30, 2000 as compared to the balance at December 31, 1999 is primarily attributable to the timing of tax deductions and payments. Deferred income tax liabilities at June 30, 2000 principally comprise the $57.9 million in taxes provided for the $150.0 million pre-tax gain on appreciation of foundry investments in Taiwan recorded on January 3, 2000 (see Note 10 to the unaudited Consolidated Financial Statements for the period ended June 30, 2000 in our Form 10-Q, filed July 20, 2000), offset by $2.2 million in tax benefit for the subsequent market depreciation of non-restricted foundry shares (see Note 10 to the unaudited Consolidated Financial Statements for the period ended June 30, 2000 in our Form 10-Q, filed July 20, 2000), and by $52.2 million in non-current deferred tax assets relating primarily to intangible asset amortization differences. Such deferred tax assets increased by approximately $13.1 million, or 34% as compared to the balance at December 31, 1999, due primarily to the increased cumulative temporary differences for book and tax amortization of intangible assets.

On October 28, 1999, we issued $260 million in 4 3/4% convertible subordinated notes due on November 1, 2006. These notes require that we pay interest semi-annually on May 1 and November 1. Holders of these notes may convert them into shares of our common stock at any time on or before November 1, 2006, at a conversion price of $41.44 per share, subject to adjustment in certain events. Beginning on November 6, 2002 and ending on October 31, 2003, we may redeem the notes in whole or in part at a redemption price of 102.71% of the principal amount. In the subsequent three twelve-month periods, the redemption price declines to 102.04%, 101.36% and 100.68% of principal, respectively. The notes are subordinated in right of payment to all of our senior indebtedness, and are subordinated to all liabilities of our subsidiaries. At June 30, 2000, we had no senior indebtedness and our subsidiaries had $9.7 million of other liabilities. Issuance costs relative to the convertible subordinated notes are included in Other Assets and aggregated approximately $6.9 million and are being amortized to expense over the lives of the notes. Accumulated amortization amounted to approximately $1.2 million at June 30, 2000.

Capital expenditures were approximately $16.6 million in the first six months of 2000. We expect to spend approximately $30 million to $40 million in capital expenditures for the fiscal year ending December 31, 2000.

In March 1997, we entered into an advance payment production agreement with Seiko Epson and its affiliated U.S. distributor, Epson Electronics America, under which we agreed to advance approximately $85 million, payable upon completion of specific milestones, to Seiko Epson to finance construction of an eight-inch sub-micron wafer manufacturing facility. Under the terms of the agreement, the advance is to be repaid with semiconductor wafers over a multi-year period. The agreement calls for wafers to be supplied by Seiko Epson through Epson Electronics America, pursuant to purchase agreements with Epson Electronics America. We also have an option under this agreement to advance Seiko Epson an additional $60 million for additional wafer supply under similar terms. The first payment pursuant to this agreement, approximately $17.0 million, was made during fiscal 1997. During fiscal 1998, we made two additional payments aggregating approximately $34.2 million. The balance of the advance payment is currently anticipated to be made in future installments.

We entered into a series of agreements with UMC in September 1995, pursuant to which we agreed to join UMC and several other companies to form a separate Taiwanese company, UICC, for the purpose of building and operating an advanced semiconductor manufacturing facility in Taiwan. Under the terms of the agreements, we invested approximately $49.7 million for an approximate 10% equity interest in UICC and the right to receive a percentage of the facility's wafer production at market prices.

In October 1996, we entered into an agreement with Utek, a public Taiwanese company in the wafer foundry business that became affiliated with the UMC Group in 1998, pursuant to which we agreed to make a series of equity investments totaling approximately $17.5 million in Utek under specific terms. In exchange for these investments we received the right to purchase a percentage of Utek's wafer production.

On January 3, 2000, UICC and Utek merged into UMC. We own approximately 73 million shares of UMC common stock and have retained our capacity rights. Due to contractual and regulatory restrictions, the majority of our UMC shares may not be sold until July 2000, or later. These regulatory restrictions will gradually expire between July 2000 and January 2004.

In June 1999, as part of our acquisition of Vantis, we entered into a series of agreements with AMD to support the continuing operations of Vantis. AMD has agreed to provide us with finished silicon wafers through September 2003 in quantities based either on a rolling six-month or an annual forecast. We have committed to buy certain minimum quantities of wafers and AMD has committed to supply certain quantities of wafers during this period. Wafers for our products are manufactured in the United States at multiple AMD wafer fabrication facilities. Prices for these wafers will be reviewed and adjusted periodically.

We believe that, regardless of whether we consummate the sale of the stock offered by this prospectus, our existing cash and cash equivalents, expected cash generation from operations and existing credit facilities combined with our ability to borrow additional funds will be adequate to meet our operating and capital requirements and obligations for at least the next 12 months.

In an effort to secure additional wafer supply, we may from time to time consider various financial arrangements including joint ventures, equity investments, advance purchase payments, loans, or similar arrangements with independent wafer manufacturers in exchange for committed wafer capacity. To the extent that we pursue any such additional wafer financing arrangements, additional debt or equity financing may be required. We may in the future seek new or additional sources of funding. There can be no assurance that such additional financing will be available when needed or, if available, will be on favorable terms. Any future equity financing will decrease existing stockholders' equity percentage ownership and may, depending on the price at which the equity is sold, result in dilution.

BUSINESS

Lattice Semiconductor Corporation designs, develops and markets high performance programmable logic devices, or PLDs, and related software. We are the world's leading supplier of in-system programmable, or ISP, logic devices. Programmable logic devices are widely-used semiconductor components that can be configured by the end customer as specific logic circuits, and enable the end customer to shorten design cycle times and reduce development costs. Our end customers are primarily original equipment manufacturers in the markets of data communications and telecommunications, as well as computing, industrial and military systems. During the June 2000 quarter, we derived approximately 66% of our $139.9 million in revenue from the communications market and approximately 20% from the computing market.

In June 1999, we acquired Vantis Corporation, the programmable logic device subsidiary of Advanced Micro Devices. This acquisition has increased our share of the PLD market, accelerated development of new products and technologies and expanded our penetration into new and existing customers.

PLD MARKET BACKGROUND

Three principal types of digital integrated circuits are used in most electronic systems: microprocessors, memory and logic. Microprocessors are used for control and computing tasks, memory is used to store programming instructions and data, and logic is employed to manage the interchange and manipulation of digital signals within a system. Logic contains interconnected groupings of simple logical "and" and logical "or" functions, commonly described as "gates." Typically, complex combinations of individual gates are required to implement the specialized logic functions required for systems applications. While system designers use a relatively small number of standard architectures to meet their microprocessor and memory needs, they require a wide variety of logic circuits in order to achieve end product differentiation.

Logic circuits are found in a wide range of today's digital electronic equipment including communication, computing, industrial and military systems. According to World Semiconductor Trade Statistics, a semiconductor industry association, logic accounted for approximately 27% of the estimated $130 billion worldwide digital integrated circuit market in 1999. The logic market encompasses, among other segments, standard logic, custom-designed application specific integrated circuits, or ASICs, which include conventional gate-arrays, standard cells and full custom logic circuits, and PLDs.

Manufacturers of electronic equipment are increasingly challenged to bring differentiated products to market quickly. These competitive pressures often preclude the use of custom-designed ASICs, which generally entail significant design risks and time delay. Standard logic products, an alternative to custom-designed ASICs, limit a manufacturer's flexibility to adequately customize an end system. PLDs address this inherent dilemma. PLDs are standard products, purchased by systems manufacturers in a "blank" state, that can be custom configured into a virtually unlimited number of specific logic functions by programming the device with electrical signals. PLDs give system designers the ability to quickly create custom logic functions to provide product differentiation without sacrificing rapid time to market. Certain PLD products, including our own, are reprogrammable, meaning that the logic configuration can be modified, if needed, after the initial programming. ISP PLDs, pioneered by us, extend the flexibility of standard reprogrammable PLDs by allowing the system designer to configure and reconfigure the logic functions of the PLD with standard 5-volt or 3.3-volt power supplies without removing the PLD from the system board.

According to Dataquest, the PLD market in 1999 was approximately $2.6 billion. The PLD market has two primary segments: low-density PLDs, with fewer than 1,000 logic gates, and high-density PLDs, with more than 1,000 logic gates. High-density PLD devices include devices based on both the CPLD and

field programmable gate array, or FPGA, architectures. In 1999, Dataquest estimated that the CPLD market was $0.8 billion and the FPGA market was $1.6 billion.

Products based on these alternative high density PLD architectures are generally optimal for different types of logic functions, although many logic functions can be implemented using either architecture. CPLDs are characterized by a regular building block structure of wide-input logic cells, called macrocells, and use of a centralized logic interconnect scheme. FPGAs are characterized by a narrow-input logic cell and use a distributed interconnect scheme. Although CPLDs and FPGAs are better suited for use in different types of logic applications, we believe that a substantial portion of high-density PLD customers utilize both CPLD and FPGA architectures within a single system design, partitioning logic functions across multiple devices to optimize overall system performance and cost.

A growing percentage of the PLD market is made up of devices which operate using 3.3-volt and 2.5-volt power supplies. Lower voltage PLDs benefit end users by consuming less power and providing compatibility with other advanced electronic components. We believe that our innovative low-voltage CPLD products provide us a competitive advantage in the emerging market for low voltage PLDs.

TECHNOLOGY

We believe that our proprietary E2CMOS technology is the preferred process technology for PLD products due to its inherent performance, reprogrammability and testability benefits. E2CMOS technology, through its fundamental ability to be programmed and erased electronically, serves as the foundation for our ISP products.

We pioneered the development of in-system programmability which has become an industry standard feature in the PLD market. Our ISP devices use either 5-volt or 3.3-volt programming signals and, as a result, can be configured and reconfigured by a system designer without being removed from the printed circuit board. Standard E2CMOS PLDs require a 12-volt programming signal and therefore must be removed from the printed circuit board and programmed using specialized hardware. Our ISP devices offer enhanced flexibility compared to standard PLDs and provide significant benefits to our customers. Our ISP devices can allow customers to reduce design cycle times, accelerate time to market, reduce prototyping costs, reduce manufacturing costs and lower inventory requirements. Our ISP devices can also provide customers the opportunity to perform simplified and cost-effective field reconfiguration through a data file transferred by computer disk or serial data signal.

PRODUCTS

We strive to offer innovative and differentiated programmable solutions based on our proprietary technology.

HIGH DENSITY CPLD PRODUCTS

Since 1992, we have focused on developing an industry leading portfolio of high density products and increasing the percentage of our overall revenue derived from this attractive market. At present we offer the broadest range of ISP products in the marketplace. During 1999, approximately 68% of our revenues were derived from high density products, as compared to 49% in 1996. In the future, we plan to continue to introduce new families of innovative, high performance and higher density programmable products, as well as improve the performance and reduce the manufacturing cost of our existing product families based on market needs.

The key features of our CPLD product families are described in the table below:

	SPEED (MHZ)	PROPAGATION DELAY (NANOSECONDS)	GATES	SURFACE MOUNT PINS
ispLSI-Registered Trademark- 1000/E/EA........	200	4.0	2,000- 8,000	44-128
ispLSI 2000E/VE..............................	225	3.5	1,000- 8,000	44-208
ispLSI 3000/E................................	125	7.5	7,000-20,000	160-432
ispLSI 5000V.................................	125	7.5	12,000-24,000	208-388
ispLSI 8000/V................................	125	8.5	25,000-50,000	272-492
MACH-Registered Trademark- 1/2................	180	5.0	1,000- 5,000	44-100
ispMACH-TM- 4/LV/A...........................	180	5.0	1,000-10,000	44-256
MACH 5/LV....................................	180	5.5	5,000-20,000	100-352

Our newest product families, the ispMACH 4A, ispLSI 2000VE, ispLSI 5000V and ispLSI 8000V, use new innovative architectures and are targeted towards the emerging low voltage portion of the CPLD market.

ISPGDX-REGISTERED TRADEMARK-/V. We recently introduced two new high density product families, ispGDX and ispGDXV, that target a unique aspect of the programmable logic market. These families extend in-system programmability to the circuit board level using an innovative digital cross-point switch architecture. Offered with propagation delays as low as 3.5 nanoseconds, up to 160 input/output pins and complete pin-to-pin signal routing, both the 5-volt ispGDX and the 3.3-volt ispGDXV are targeted towards digital signal interconnect and interface applications.

MIXED SIGNAL PRODUCTS

We have recently added mixed signal products to our portfolio as we believe these devices provide an opportunity to extend our proprietary technology to an untapped potential market.

ISPPAC-REGISTERED TRADEMARK- PRODUCTS. First introduced in 1999, this three device family extends in-system programmability to the analog market. The innovative architecture of the ispPAC allows designers to quickly and easily program resistor and capacitor values, gain and signal polarity and circuit interconnect to implement a wide variety of analog circuits. The initial ispPAC products are targeted towards filtering and signal conditioning applications and can replace numerous discrete analog components. ispPAC designs are implemented and programmed via a personal computer using our software development tool, PAC-Designer-Registered Trademark-.

SOFTWARE DEVELOPMENT TOOLS

All Lattice ISP products are supported by ispDesignEXPERT-TM-, our fourth generation software development tool suite. Supporting both the PC and UNIX platforms, ispDesignEXPERT allows a customer to enter, verify and synthesize a design, perform logic simulation and timing analysis, assign input/output pins and critical speed paths, debug and floorplan a design, execute automatic place and route tasks and download a program to an ISP device. Seamlessly integrated with third-party electronic design automation, or EDA, environments, ispDesignEXPERT leverages customers' prior investments in products offered by Aldec, Cadence, Innoveda, Mentor Graphics, OrCAD, Synopsys, Synplicity and Veribest. In the future, we plan to continue to enhance and expand the capability of our software development tool suite.

We also provide a variety of software algorithms that support in-system programming of our ISP devices via multiple formats and mechanisms. These software products include ispCODE-Registered Trademark-, Turbo ispDOWNLOAD-Registered Trademark-, ispREMOTE-TM-, ispATE-Registered Trademark-, ispSVF-TM- and ispVM-TM-.

LOW DENSITY PLD PRODUCTS

We offer the industry's broadest line of low-density CMOS PLDs based on our 22 families of GAL-Registered Trademark- and PALCE-TM- products offered in over 200 speed, power, package and temperature range combinations. PALCE products were originally introduced by Vantis and are generally compatible with GAL products. GAL and PALCE devices range in complexity from approximately 200 to 1,000 logic gates and are typically assembled in 20-, 24- and 28-pin standard dual in-line packages and in 20- and 28-pin standard plastic leaded chip carrier packages. We offer standard 610, 16V8, 20V8 and 22V10 architectures in a variety of speed grades, with propagation delays as low as 3.5 nanoseconds, the highest performance in the industry. In addition, we offer several proprietary extension architectures, the isp22V10, 6001/2, 16VP8, 16V8Z, 18V10, 20VP8, 20V8Z, 22V10Z, 24V10, 29M16, 20RA10, 20XV10 and 26V12, each of which is optimized for specific applications. We also offer a full range of 3.3-volt standard architectures, the isp22LV10, 16LV8, 20LV8, 22LV10 and 26CLV12, in a variety of speed grades, with propagation delays as low as 3.5 nanoseconds, the highest performance in the industry.

PRODUCT DEVELOPMENT

We place substantial emphasis on new product development and believe that continued investment in this area is required to maintain our competitive position. Our product development activities emphasize new proprietary ISP products, enhancement of existing products and process technologies and improvement of software development tools. Product development activities occur in Hillsboro, Oregon; Silicon Valley, California; Austin, Texas; Colorado Springs, Colorado; Corsham, England; and Shanghai, China.

Research and development expenses were $32.0 million in fiscal year 1998, $33.2 million in fiscal year 1999 and $45.9 million for fiscal period 1999. We expect to continue to make significant future investments in research and development.

OPERATIONS

We do not manufacture our own silicon wafers. We maintain strategic relationships with large semiconductor manufacturers to source our finished silicon wafers. This strategy allows us to focus our internal resources on product, process and market development, and eliminates the fixed cost of owning and operating manufacturing facilities. We are also able to take advantage of the ongoing advanced process technology dedicated development efforts of semiconductor manufacturers. In addition, all of our assembly operations are performed by outside suppliers. We perform certain test operations and reliability and quality assurance processes internally. We have achieved an ISO 9001 quality certification, an indication of our high internal operational standards.

WAFER FABRICATION

The majority of our silicon wafer requirements have historically been supplied by Seiko Epson in Japan pursuant to an agreement with Epson Electronics America, an affiliated U.S. distributor of Seiko Epson. We negotiate wafer volumes, prices and terms with Seiko Epson and Epson Electronics America on a periodic basis. We also receive silicon wafers from the UMC Group in Taiwan pursuant to a series of agreements entered into in 1995. Wafer prices and other purchase terms related to this commitment are subject to periodic adjustment. Currently, the majority of the silicon wafers for our MACH and PALCE products are manufactured by AMD pursuant to an agreement first entered into in 1996 and subsequently amended and restated at the time of our acquisition of Vantis.

ASSEMBLY

After wafer fabrication and initial testing, we ship wafers to independent subcontractors for assembly. During assembly, wafers are separated into individual die and encapsulated in plastic or ceramic

packages. Presently, we have qualified long-term assembly partners in Hong Kong, Malaysia, the Philippines, Singapore, South Korea, Taiwan and Thailand.

TESTING

We electrically test the die on each wafer prior to shipment for assembly. Following assembly, prior to customer shipment, each product undergoes final testing and quality assurance procedures. Final testing on certain products is performed by independent contractors in Malaysia, the Philippines, South Korea, Taiwan, Thailand and the United States.

MARKETING, SALES AND CUSTOMERS

We sell our products directly to end customers through a network of independent manufacturers' representatives and indirectly through a network of independent distributors. We also employ a direct sales management and field applications engineering organization to support our end customers and indirect sales resources. Our end customers are primarily original equipment manufacturers in the fields of communication, computing, industrial and military systems.

At July 2, 2000, we used 23 manufacturers' representatives and three distributors in North America. Arrow Electronics and Avnet provide full distribution coverage. We have also established export sales channels in over 30 foreign countries through a network of over 30 sales representatives and distributors. Approximately one-half of our North American sales and the majority of our export sales are made through distributors.

We protect each of our North American distributors and some of our foreign distributors against reductions in published prices, and expect to continue this policy in the foreseeable future. We also allow returns from these distributors of unsold products under certain conditions. For these reasons, we do not recognize revenue until products are resold by these distributors to an end customer.

We provide technical and marketing support to our end customers with engineering staff based at our headquarters, design centers and selected field sales offices. We maintain numerous domestic and international field sales offices in major metropolitan areas.

Export sales as a percentage of our total revenue were 51% in fiscal year 1998, 50% in fiscal year 1999 and 53% in fiscal period 1999. Both export and domestic sales are denominated in U.S. dollars, with the exception of sales to Japan, which are dominated in yen. If our export sales decline significantly there would be a material adverse impact on our business.

Our products are sold to a large and diverse group of customers. Revenue from one customer, the contract manufacturer Solectron, accounted for approximately 10% of total revenues for the first quarter of 2000. No individual end customer accounted for more than 10% of total revenue in fiscal year 1998 or 1999 or fiscal period 1999.

COMPETITION

The semiconductor industry is intensely competitive and characterized by rapid rates of technological change, product obsolescence and price erosion. Our current and potential competitors include a broad range of semiconductor companies from large, established companies to emerging companies, many of which have greater financial, technical, manufacturing, marketing and sales resources.

The principal competitive factors in the PLD market include product features, price, customer support, and sales, marketing and distribution strength. The availability of competitive software development tools is also critical. In addition to product features such as density, speed, power consumption, reprogrammability, design flexibility and reliability, competition in the PLD market occurs on the basis of price and market acceptance of specific products and technology. We believe that we

compete favorably with respect to each of these factors. We intend to continue to address these competitive factors by working to continually introduce product enhancements and new products, by seeking to establish our products as industry standards in their respective markets, and by working to reduce the manufacturing cost of our products.

In the high density CPLD market, we directly compete primarily with Altera and Xilinx, both of whom offer competing products. We also indirectly compete with other PLD suppliers as well as other semiconductor companies who provide non-PLD based logic solutions. Although to date we have not experienced significant competition from companies located outside the United States, such companies may become a more significant competitive factor in the future. Competition may also increase as we and our current competitors seek to expand our markets. Any such increases in competition could have a material adverse effect on our operating results.

PATENTS

We seek to protect our products and wafer fabrication process technologies primarily through patents, trade secrecy measures, copyrights, mask work protection, trademark registrations, licensing restrictions, confidentiality agreements and other approaches designed to protect proprietary information. There can be no assurance that others may not independently develop competitive technology not covered by our intellectual property rights or that measures we take to protect our technology will be effective.

We hold numerous domestic, European and Japanese patents and have patent applications pending in the United States, Japan and Europe. There can be no assurance that pending patent applications or other applications that may be filed will result in issued patents, or that any issued patents will survive challenges to their validity. Although we believe that our patents have value, there can be no assurance that our patents, or any additional patents that may be issued in the future, will provide meaningful protection from competition. We believe that our success will depend primarily upon the technical expertise, experience, creativity and the sales and marketing abilities of our personnel.

Patent and other proprietary rights infringement claims are common in our industry. There can be no assurance that, with respect to any claim made against us, we could obtain a license on terms or under conditions that would not harm our business.

LICENSES AND AGREEMENTS

SEIKO EPSON/EPSON ELECTRONICS AMERICA

Epson Electronics America, an affiliated U.S. distributor of Seiko Epson, has agreed to provide us with manufactured wafers in quantities based on six-month rolling forecasts. We have committed to buy certain minimum quantities of wafers per month. Wafers for our products are manufactured in Japan at Seiko Epson's wafer fabrication facilities and are delivered to us by Epson Electronics America. Prices for the wafers obtained from Epson Electronics America are reviewed and adjusted periodically.

In March 1997, we entered into an advance production payment agreement with Seiko Epson and Epson Electronics America under which we agreed to advance approximately $85.0 million, payable upon completion of specific milestones, to Seiko Epson to finance construction of an eight-inch sub-micron semiconductor wafer manufacturing facility. The timing of the payments is related to certain milestones in the development of the facility. Under the terms of the agreement, the advance is to be repaid with semiconductor wafers over a multi-year period. The agreement calls for wafers to be supplied by Seiko Epson through Epson Electronics America pursuant to purchase agreements concluded with Epson Electronics America. We also have an option under the agreement to advance Seiko Epson an additional $60.0 million for additional wafer supply under similar terms. The first payment under this agreement,

approximately $17.0 million, was made during fiscal 1997. During fiscal 1998, we made two additional payments aggregating approximately $34.2 million.

UMC GROUP

In September 1995, we entered into a series of agreements with UMC pursuant to which we agreed to join UMC and several other companies to form a separate Taiwanese company, UICC, for the purpose of building and operating an advanced semiconductor manufacturing facility in Taiwan. Under the terms of the agreement, we invested approximately $49.7 million between fiscal 1996 and fiscal 1998 for an approximate 10% equity interest in UICC and the right to purchase a percentage of the facility's wafer production at market prices.

In October 1996, we entered into an agreement with Utek Corporation, a public Taiwanese company in the wafer foundry business that became affiliated with the UMC Group in 1998, pursuant to which we agreed to make a series of equity investments, totaling approximately $17.5 million, in Utek under specific terms. In exchange for these investments we received the right to purchase a percentage of Utek's wafer production.

On January 3, 2000 UICC and Utek merged into UMC. We own approximately 73 million shares of UMC common stock and have retained our capacity rights. Due to contractual and regulatory restrictions, the majority of our UMC shares may not be sold until July 2000. These regulatory restrictions will gradually expire between July 2000 and January 2004.

AMD

In June 1999, as part of our acquisition of Vantis, we entered into a series of agreements with AMD to support the continuing operations of Vantis. AMD has agreed to provide us with finished silicon wafers through September 2003 in quantities based either on a rolling six-month or an annual forecast. We have committed to buy certain minimum quantities of wafers and AMD has committed to supply certain quantities of wafers during this period. Wafers for our products are manufactured in the United States at multiple AMD wafer fabrication facilities. Prices for these wafers will be reviewed and adjusted periodically.

We have also entered into an agreement with AMD pursuant to which we have cross-licensed Vantis patents with AMD patents, having an effective filing date on or before June 15, 1999, related to PLD products. This cross-license was made on a worldwide, non-exclusive and royalty-free basis.

As part of our acquisition of Vantis Corporation, we have acquired certain third-party license rights held by Vantis prior to the acquisition. Included are rights to use certain Xilinx patents to manufacture, market and sell products.

LEGAL PROCEEDINGS

In connection with our acquisition of Vantis, we have agreed to assume both the claims against Altera and the claims by Altera against AMD in the case captioned ADVANCED MICRO DEVICES, INC. V. ALTERA CORPORATION (CASE NO. C-94-20567-RMW) proceeding in the United States District Court for the Northern District of California. This litigation, which began in 1994, involves multiple claims and counterclaims for patent infringement relating to Vantis and Altera programmable logic devices and both parties are seeking damages and injunctive relief.

In April 1999, the United States Court of Appeals for the Federal Circuit reversed earlier jury and District Court decisions and held that Altera is not licensed to the eight AMD patents-in-suit. These eight AMD patents were subsequently assigned to Vantis. Also in April 1999, following the decision of the Court of Appeals, Altera filed a petition for rehearing. In June 1999, the Court of Appeals denied Altera's petition for rehearing.

On May 31, 2000, Altera Corporation filed a complaint against us in U.S. District Court in the Northern District of California, alleging infringement of certain Altera patents by unspecified Lattice products. On June 22, 2000, we answered Altera's complaint denying any infringement by Lattice, and simultaneously brought a series of counterclaims alleging infringement by Altera of certain Lattice patents.

Although there can be no assurance as to the results of litigation, based upon information presently known to management, we do not believe that the ultimate resolution of lawsuits will have a material adverse effect on our business. The foregoing statement constitutes a forward-looking statement and the actual results may differ materially depending on a number of factors, including new court decisions and additional counterclaims made by other parties to such litigation.

Except as described above, we are not currently a party to any material legal proceedings.

MANAGEMENT

The following table sets forth certain information regarding our executive officers and directors:

NAME	AGE	POSITION
Cyrus Y. Tsui	54	President, Chief Executive Officer and Chairman of the Board
Steven A. Laub	41	Senior Vice President and Chief Operating Officer
Stephen A. Skaggs	37	Senior Vice President, Chief Financial Officer and Secretary
Frank J. Barone	60	Corporate Vice President, Product Operations
Stephen M. Donovan	49	Corporate Vice President, Sales
Jonathan K. Yu	59	Corporate Vice President, Business Development
Martin R. Baker	44	Vice President and General Counsel
Randy D. Baker	41	Vice President, Manufacturing
Albert L. Chan	51	Vice President and General Manager, Lattice Silicon Valley
Thomas J. Kingzett	53	Vice President, Reliability and Quality Assurance
Stanley J. Kopec	49	Vice President, Corporate Marketing
Andrew D. Robin	47	Vice President, New Venture Business
Rodney F. Sloss	57	Vice President, Finance
James V. Tortolano	50	Vice President and Co-General Counsel
Kenneth K. Yu	52	Vice President and Managing Director, Lattice Asia
Mark O. Hatfield	78	Director
Daniel S. Hauer	63	Director
Harry A. Merlo	75	Director
Larry W. Sonsini	59	Director

CYRUS Y. TSUI joined Lattice in September 1988 as President, Chief Executive Officer and Director, and in March 1991 was named Chairman of the Board. From 1987 until he joined, Mr. Tsui was Corporate Vice President and General Manager of the Programmable Logic Division of AMD. He was Vice President and General Manager of the Commercial Products Divisions of Monolithic Memories Incorporated (MMI) from 1983 until its merger with AMD in 1987. Mr. Tsui has held technical and managerial positions in the semiconductor industry for over 30 years. He has worked in the programmable logic industry since its inception.

STEVEN A. LAUB joined Lattice in June 1990 as Vice President and General Manager. He was elected Senior Vice President and Chief Operating Officer in August 1996.

STEPHEN A. SKAGGS joined Lattice in December 1992 as Director, Corporate Development. He was elected Senior Vice President, Chief Financial Officer and Secretary in August 1996.

FRANK J. BARONE joined Lattice in June 1999 as a Corporate Vice President as a result of the Vantis acquisition. From September 1997 until he joined, Mr. Barone was Chief Operating Officer of Vantis. Prior thereto, Mr. Barone held various technical and managerial positions at AMD. He has worked in the programmable logic industry since 1978.

STEPHEN M. DONOVAN joined Lattice in October 1989 and has served as Director of Marketing and Director of International Sales. He was elected Vice President, International Sales in August 1993. He was elected Corporate Vice President, Sales, in May 1998. Mr. Donovan has worked in the programmable logic industry since 1982.

JONATHAN K. YU joined Lattice in February 1992 as Vice President, Operations. He was elected Corporate Vice President, Business Development in August 1996. Mr. Yu has held technical and managerial positions in the semiconductor industry for over 30 years.

MARTIN R. BAKER joined Lattice in January 1997 as Vice President and General Counsel. From 1991 until he joined, Mr. Baker held legal positions with Altera Corporation.

RANDY D. BAKER joined Lattice in April 1985 as Manager, Manufacturing and was promoted in 1988 to Director, Manufacturing. He was elected Vice President, Manufacturing in August 1996.

ALBERT L. CHAN joined Lattice in May 1989 as California Design Center Manager and was promoted in 1991 to Director, California Product Development Center. He was elected Vice President, California Product Development in August 1993. He was elected Vice President and General Manager, Lattice Silicon Valley, in August 1997. Mr. Chan has worked in the programmable logic industry since 1983.

THOMAS J. KINGZETT joined Lattice in July 1992 as Director, Reliability and Quality Assurance. He was elected Vice President, Reliability and Quality Assurance in May 1998. Mr. Kingzett has worked in the semiconductor industry for over 25 years.

STANLEY J. KOPEC joined Lattice in August 1992 as Director, Marketing. He was elected Vice President, Corporate Marketing in May 1998. Mr. Kopec has worked in the programmable logic industry since 1985.

ANDREW D. ROBIN joined Lattice in June 1999 as Vice President, New Venture Business as a result of the Vantis acquisition. From March 1998 until he joined, Mr. Robin was Vice President, Marketing at Vantis. Prior thereto, Mr. Robin held various marketing and managerial positions at AMD and MMI. Mr. Robin has worked in the programmable logic industry since 1984.

RODNEY F. SLOSS joined Lattice in May 1994 as Vice President, Finance.

JAMES V. TORTOLANO joined Lattice in June 1999 as a Vice President as a result of the Vantis acquisition. From November 1998 until he joined, Mr. Tortolano was Vice President, General Counsel of Vantis. Prior thereto, Mr. Tortolano held various legal positions at AMD. He has worked in the semiconductor industry since 1983.

KENNETH K YU joined Lattice in January 1991 as Director of Process Technology. He has served as Managing Director, Lattice Asia since November 1992 and was elected Vice President, Lattice Asia in August 1993. Mr. Yu has held technical and managerial positions in the semiconductor industry for over 25 years.

MARK O. HATFIELD has been a member of our board of directors since 1997. Mr. Hatfield is a former U.S. Senator from Oregon.

DANIEL S. HAUER has been a member of our board of directors since 1987. Mr. Hauer is the former Chairman and Chief Executive Officer of Epson Electronics America.

HARRY A. MERLO has been a member of our board of directors since 1983. Mr. Merlo is the President of Merlo Corporation and is the former President and Chairman of Louisiana-Pacific Corporation.

LARRY W. SONSINI has been a member of our board of directors since 1991. Mr. Sonsini is Chairman of the Executive Committee of Wilson Sonsini Goodrich & Rosati, Professional Corporation, a law firm based in Palo Alto, California.

DESCRIPTION OF CAPITAL STOCK

Our authorized capital stock consists of 300,000,000 shares of common stock, $0.01 par value and 10,000,000 shares of preferred stock, $0.01 par value. As of June 30, 2000, there were 49,446,405 shares of common stock outstanding and no shares of preferred stock outstanding.

COMMON STOCK

The holders of common stock are entitled to one vote per share on all matters to be voted upon by the stockholders. Subject to preferences applicable to any outstanding preferred stock, the holders of common stock are entitled to receive ratably such dividends as may be declared from time to time by our board of directors out of funds legally available for distribution and in the event of liquidation, dissolution, or winding up of Lattice, the holders of common stock are entitled to share in all assets remaining after payment of liabilities. The common stock has no preemptive or conversion rights and is not subject to further calls or assessments by Lattice. There are no redemption or sinking fund provisions applicable to the common stock. The common stock currently outstanding is validly issued, fully paid and nonassessable.

CERTAIN CHARTER PROVISIONS

Our restated certificate of incorporation, as amended, and bylaws, as amended, contain certain procedural provisions that could have the effect of delaying, deferring or preventing a change in control of Lattice. These include:

- a provision classifying the board of directors into three classes; and

- a provision requiring that the affirmative vote of two-thirds of the outstanding voting shares of our capital stock is required to approve certain business combinations.

PREFERRED STOCK

Our board of directors has the authority to issue the preferred stock in one or more series and to fix the rights, preferences and privileges, including dividend rights, conversion rights, liquidation rights, voting rights, and the number of shares constituting any series or the designation of such series of preferred stock, without any further vote or action by the stockholders. As of March 31, 2000, there were no outstanding shares of preferred stock or options to purchase preferred stock other than the Preferred Shares Rights Agreement described below. Although it has no present intention to do so, our board of directors may, without stockholder approval, issue preferred stock with voting and conversion rights which could adversely affect the voting power of the holders of common stock. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change of control of Lattice.

RIGHTS AGREEMENT

Effective September 1991, our board of directors approved a Preferred Shares Rights Agreement and declared a dividend distribution payable November 14, 1991 of one Preferred Share Purchase Right (called "rights") for each share of its common stock outstanding on November 14, 1991 and each share of its common stock issued thereafter (subject to certain limitations).

Currently, the rights trade with the shares of common stock. When the rights become exercisable, each Right will entitle the holder to buy one-thousandth of a share of Series A Participating Preferred Stock, $0.01 par value, at an exercise price of $60 per one one-thousandth of a share. The rights will become exercisable and will trade separately from the common stock (unless postponed by action of the disinterested directors of Lattice) on the earlier of (i) ten (10) days following a public announcement that a person or group has acquired, or obtained the right to acquire, beneficial ownership of 20% or more of our outstanding common stock or (ii) ten (10) days following the commencement or announcement of a

tender offer or exchange offer which, if consummated, would result in the beneficial ownership by a person or group of 20% or more of our outstanding common stock.

In general, if any person or group acquires 20% or more of our common stock without approval of our board of directors, each right not held by the acquiring person will entitle its holder to purchase $120 worth of our common stock for an effective purchase price of $60. If, after any person or group acquires 20% or more of our common stock without the approval of our board of directors, we are acquired in a merger or other business combination transaction, each right not held by the acquiring person would entitle its holder to purchase $120 worth of the common stock of the acquiring company for $60. Under certain conditions, we may elect to redeem the rights for $0.01 per right or cause the exchange of each right not held by the acquiring person for one share of our common stock. Additionally, the exercise price, number of rights, and the number of shares of Series A Participating Preferred or common stock that may be acquired for the exercise price are subject to adjustment from time to time to prevent dilution.

The rights are designed to protect and maximize the value of the outstanding equity interests in Lattice in the event of an unsolicited attempt by an acquiror to take over Lattice in a manner or on terms not approved by the board of directors. Takeover attempts frequently include coercive tactics to deprive a corporation's board of directors and its stockholders of any real opportunity to determine the destiny of the corporation. The rights expire on September 11, 2001, unless previously exchanged or redeemed as described above, or terminated in connection with the acquisition of Lattice by consolidation or merger approved by the board of directors and satisfying certain conditions.

The rights are not intended to prevent a takeover of Lattice and will not do so. Nevertheless, the rights may have the effect of rendering more difficult or discouraging an acquisition of Lattice deemed undesirable by the board of directors. The rights may cause substantial dilution to a person or group that attempts to acquire Lattice on terms or in a manner not approved by our board of directors, except pursuant to an offer conditioned upon the negation, purchase or redemption of the rights. The rights have been declared by the board of directors in order to deter such tactics, including a gradual accumulation of shares in the open market of a 20% or greater position to be followed by a merger or a partial or two-tier tender offer that does not treat all stockholders equally.

The description above is qualified in its entirety by reference to the Preferred Shares Rights Agreement dated as of September 11, 1991.

DELAWARE TAKEOVER STATUTE

We are subject to the provisions of Section 203 of the Delaware General Corporation Law, which prohibits a publicly-held Delaware corporation from engaging in any "business combination" with an "interested stockholder" for three years following the date that such stockholder became an interested stockholder, unless:

- prior to such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;

- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding, for purposes of determining the number of shares outstanding, those shares owned (a) by persons who are directors and also officers and (b) by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- on or subsequent to such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock not owned by the interested stockholder.

Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the stockholders. An "interested stockholder" is a person who, together with affiliates and associates, owns (or within three years prior did own) 15% or more of the corporation's voting stock.

TRANSFER AGENT AND REGISTRAR

The Transfer Agent and Registrar for the common stock is ChaseMellon Shareholder Services, L.L.C. Its address is 520 Pike Street, Suite 1220, Seattle, Washington 98101 and its telephone number is (206) 674-3034.

UNDERWRITING

Lattice and the underwriters for the offering named below have entered into an underwriting agreement for the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman, Sachs & Co., Morgan Stanley & Co. Incorporated and Prudential Securities Incorporated are the representatives of the underwriters.

Underwriters	Number of Shares
Goldman, Sachs & Co.	
Morgan Stanley & Co. Incorporated	
Prudential Securities Incorporated	
Total	4,000,000

If the underwriters sell more shares than the total number in the table above, the underwriters have an option to buy up to an additional 600,000 shares from Lattice to cover these sales. They may exercise that option for 30 days. If any shares are purchased under this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by Lattice. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	Paid by Lattice	
	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Shares sold by the underwriters to the public will initially be offered at the public offering price on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the public offering price. Any of these securities dealers may resell any shares purchased from the underwriters to other brokers or dealers at a discount of up to $ per share from the public offering price. If all the shares are not sold at the offering price, the representatives may change the offering price and the other selling terms.

Lattice and its executive officers and directors have agreed with the underwriters not to dispose of or hedge any of their common stock or any securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 90 days after the date of this prospectus without the prior written consent of Goldman, Sachs & Co. Lattice may, however, without the prior written consent of Goldman, Sachs & Co.:

- issue and sell the shares offered hereby;

- issue stock upon the exercise of options or warrants or upon conversion or exchange of any convertible or exchangeable securities outstanding on the date hereof;

- grant options or issue and sell stock upon the exercise of outstanding stock options or otherwise pursuant to Lattice's and Vantis' stock option or employee stock purchase plans; and

- issue, or agree to issue, securities of Lattice as consideration in connection with any future acquisitions or strategic investments of Lattice or securities of Lattice issuable upon exercise or conversion of the foregoing securities.

In addition, Lattice's executive officers and directors may, without the prior written consent of Goldman, Sachs & Co., dispose of or hedge up to 350,000 shares in the aggregate, but not more than 125,000 shares individually.

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. Covered short sales are sales made in an amount not greater than the underwriters' option to purchase additional shares from Lattice in the offering. The underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. Naked short sales are any sales in excess of the underwriters' option to purchase additional shares from Lattice. The underwriters must close out any naked short position by purchasing shares on the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or retarding a decline in the market price of Lattice's stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued at any time. These transactions may be effected on the Nasdaq National Market, in the over-the-counter market or otherwise.

Lattice's common stock is quoted on the Nasdaq National Market under the symbol "LSCC".

A prospectus in electronic format may be made available on the web sites maintained by one or more underwriters. The underwriters may agree to allocate a number of shares to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the lead managers to underwriters that may make Internet distributions on the same basis as other allocations.

Lattice estimates that its share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $400,000. The underwriters have agreed to reimburse Lattice for various expenses, including allocable corporate expenses.

Lattice has agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

VALIDITY OF COMMON STOCK

The validity of the issuance of the common stock in this offering will be passed upon for us by Wilson Sonsini Goodrich & Rosati, Professional Corporation, Palo Alto, California, and for the underwriters by Davis Polk & Wardwell, Menlo Park, California. Larry W. Sonsini, one of our directors and a partner of Wilson Sonsini Goodrich & Rosati, beneficially owned 31,680 shares of our common stock at June 30, 2000, including 27,000 shares subject to options exercisable within 60 days of that date.

EXPERTS

The consolidated financial statements incorporated in this prospectus by reference to the Annual Report on Form 10-K for the transition period ended December 31, 1999 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting. The consolidated financial statements of Vantis Corporation as of December 27, 1998 and December 28, 1997, and for the three years in the period ended December 27, 1998, appearing in our current report on Form 8-K filed on June 25, 1999, amended on August 20, 1999 (Form 8-K/A), have been so incorporated in reliance on the report of Ernst & Young LLP, Independent Auditors, given on the authority of said firm as experts in accounting and auditing.

WHERE YOU MAY FIND ADDITIONAL INFORMATION

We file reports, proxy statements and other information with the Securities and Exchange Commission, or SEC, as required by the Securities Exchange Act of 1934. You may read and copy the reports, proxy statements and other information filed by us at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for information on the operation of the public reference room.

The SEC allows us to incorporate by reference into this prospectus information that we have filed with the SEC. This means that we can disclose important information by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus. Information that we file later with the SEC will automatically update and supersede previously filed information. We incorporate by reference the documents listed below and any future filings made by us with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until our offering is complete:

- Our annual report on Form 10-K, as amended, for the transition period beginning April 4, 1999 and ending January 1, 2000, filed on March 30, 2000;

- Our quarterly reports on Form 10-Q for the quarter ended April 1, 2000 and for the quarter ended July 1, 2000, filed on May 15, 2000 and July 20, 2000, respectively;

- Our current report on Form 8-K filed on June 25, 1999, and amended on August 20, 1999;

- Our current report on Form 8-K filed on July 11, 2000.

- The description of our common stock contained in our registration statement on Form 8-A, filed on September 27, 1989, including any amendments or reports filed for the purpose of updating such description; and

- All of our filings pursuant to the Securities Exchange Act of 1934 made after the date of the original filing of the registration statement of which this prospectus is a part and prior to the effectiveness of the registration statement.

You may request a copy of these filings, at no cost, by writing or telephoning us at the following address: Investor Relations Department, Lattice Semiconductor Corporation, 5555 N.E. Moore Court, Hillsboro, Oregon 97124-6421, telephone: (503) 268-8000.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

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4,000,000 Shares

LATTICE SEMICONDUCTOR CORPORATION

Common Stock

[LOGO]

JOINT BOOKRUNNING MANAGERS

GOLDMAN, SACHS & CO.

MORGAN STANLEY DEAN WITTER

PRUDENTIAL VOLPE TECHNOLOGY
a unit of Prudential Securities

PART II
INFORMATION NOT REQUIRED IN THE PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, payable by us in connection with the sale of common stock being registered. All amounts are estimates except the Securities and Exchange Commission registration fee and the Nasdaq National Market listing fee.

Securities and Exchange Commission registration fee	$ 78,681
Nasdaq National Market listing fee	17,500
NASD filing fee	30,500
Printing and engraving costs	100,000
Legal fees and expenses	25,000
Accounting fees and expenses	60,000
Blue Sky fees and expenses	25,000
Transfer Agent and Registrar fees	2,500
Miscellaneous expenses	91,319
Total	$400,000

ITEM 15. INDEMNIFICATION OF OUR DIRECTORS AND OFFICERS

CERTIFICATE OF INCORPORATION

Article VI of our certificate of incorporation provides that, to the fullest extent permitted by Delaware law, as the same now exists or may hereafter be amended, a director shall not be personally liable to the corporation or its stockholders for monetary damages arising out of his conduct as a director. Delaware law provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except for liability:

- for any breach of their duty of loyalty to the corporation or its stockholders,

- for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law,

- for unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law, or

- for any transaction from which the director derived an improper personal benefit.

BYLAWS

Our bylaws provide that our directors, officers and agents shall be indemnified against expenses including attorneys' fees, judgments, fines, settlements actually and reasonably incurred in connection with any proceeding arising out of their status as our agent. Our bylaws also allow us to purchase and maintain insurance on behalf of any person who is or was one of our directors, officers, employees or agents, against any liability arising out of the person's status as such, whether or not we would have the power to indemnify the person under Delaware law.

ITEM 16. EXHIBITS

The following exhibits are filed herewith or incorporated by reference herein:

EXHIBIT NUMBER	EXHIBIT TITLE
1.1	Form of Underwriting Agreement
3.1*	The Company's Certificate of Incorporation, as amended.
5.1	Opinion of Wilson Sonsini Goodrich & Rosati, Professional Corporation.
23.1	Consent of PricewaterhouseCoopers LLP, independent accountants.
23.2	Consent of Ernst & Young LLP, Independent Auditors.
23.3	Consent of Wilson Sonsini Goodrich & Rosati, Professional Corporation (included in Exhibit 5.1).
24.1*	Power of Attorney

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* Previously filed.

ITEM 17. UNDERTAKINGS

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described under Item 15 above, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities, other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding, is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes:

(1) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(2) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(3) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Amendment No. 1 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Hillsboro, State of Oregon, on July 20, 2000.

LATTICE SEMICONDUCTOR CORPORATION

By: /s/ STEPHEN A. SKAGGS

Name: Stephen A. Skaggs
Title: Senior Vice President, Chief Financial Officer and Secretary

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to the Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

NAME	TITLE	DATE
* --- Cyrus Y. Tsui	President, Chief Executive Officer (Principal Executive Officer) and Chairman of the Board of Directors	July 20, 2000
/s/ STEPHEN A. SKAGGS --- Stephen A. Skaggs	Senior Vice President, Chief Financial Officer (Principal Financial and Accounting Officer) and Secretary	July 20, 2000
* --- Mark O. Hatfield	Director	July 20, 2000
* --- Daniel S. Hauer	Director	July 20, 2000
* --- Harry A. Merlo	Director	July 20, 2000
* --- Larry W. Sonsini	Director	July 20, 2000

*By: /s/ STEPHEN A. SKAGGS

Stephen A. Skaggs
ATTORNEY-IN-FACT

EXHIBIT INDEX

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23.3	Consent of Wilson Sonsini Goodrich & Rosati, Professional Corporation (included in Exhibit 5.1).
24.1*	Power of Attorney.

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*   Previously filed.

LATTICE SEMICONDUCTOR CORPORATION Exhibit 1.1

COMMON STOCK

FORM OF UNDERWRITING AGREEMENT

July __, 2000

Goldman, Sachs & Co.,
Morgan Stanley & Co. Incorporated
Prudential Securities Incorporated
As representatives of the several Underwriters
named in Schedule I hereto,
c/o Goldman, Sachs & Co.,
85 Broad Street,
New York, New York 10004.

Ladies and Gentlemen:

Lattice Semiconductor Corporation, a Delaware corporation (the "COMPANY"), proposes, subject to the terms and conditions stated herein, to issue and sell to the Underwriters named in Schedule I hereto (the "UNDERWRITERS") an aggregate of 4,000,000 shares (the "FIRM SHARES") and, at the election of the Underwriters, up to 600,000 additional shares (the "OPTIONAL SHARES") of common stock ("STOCK") of the Company (the Firm Shares and the Optional Shares that the Underwriters elect to purchase pursuant to Section 2 hereof being collectively called the "SHARES").

1. The Company represents and warrants to, and agrees with, each of the Underwriters that:

(a) A registration statement on Form S-3 (File No. 333-41146) (the "INITIAL REGISTRATION STATEMENT") in respect of the Shares has been filed with the Securities and Exchange Commission (the "COMMISSION"); the Initial Registration Statement and any post-effective amendment thereto, each in the form heretofore delivered to you, and, excluding exhibits thereto but including all documents incorporated by reference in

the prospectus contained therein, to you for each of the other Underwriters, have been declared effective by the Commission in such form; other than a registration statement, if any, increasing the size of the offering (a "RULE 462(b) REGISTRATION STATEMENT"), filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "ACT"), which became effective upon filing, no other document with respect to the Initial Registration Statement or document incorporated by reference therein has heretofore been filed with the Commission; and no stop order suspending the effectiveness of the Initial Registration Statement, any post-effective amendment thereto or the Rule 462(b) Registration Statement, if any, has been issued and no proceeding for that purpose has been initiated or, to the knowledge of the Company, threatened by the Commission (any preliminary prospectus included in the Initial Registration Statement or filed with the Commission pursuant to Rule 424(a) of the rules and regulations of the Commission under the Act is hereinafter called a "PRELIMINARY PROSPECTUS"); the various parts of the Initial Registration Statement and the Rule 462(b) Registration Statement, if any, including all exhibits thereto and including (i) the information contained in the form of final prospectus filed with the Commission pursuant to Rule 424(b) under the Act in accordance with Section 5(a) hereof and deemed by virtue of Rule 430A under the Act to be part of the Initial Registration Statement at the time it was declared effective and (ii) the documents incorporated by reference in the prospectus contained in the Initial Registration Statement at the time such part of the Initial Registration Statement became effective, each as amended at the time such part of the Initial Registration Statement became effective or such part of the Rule 462(b) Registration Statement, if any, became or hereafter becomes effective, are hereinafter collectively called the "REGISTRATION STATEMENT"; and such final prospectus, in the form first filed pursuant to Rule 424(b) under the Act, is hereinafter called the "PROSPECTUS"; and any reference herein to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Act, as of the date of such Preliminary Prospectus or Prospectus, as the case may be; and any reference to any amendment or supplement to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any documents filed after the date of such Preliminary Prospectus or Prospectus, as the case may be, under the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT"), and incorporated by reference in such Preliminary Prospectus or Prospectus, as the case may be; and any reference to any amendment to the Registration Statement shall be deemed to refer to and include any annual report of the Company filed pursuant to Section 13(a) or 15(d) of the Exchange Act after the effective date of the

Initial Registration Statement that is incorporated by reference in the Registration Statement;

(b) No order preventing or suspending the use of any Preliminary Prospectus has been issued by the Commission, and each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder, and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through Goldman, Sachs & Co. expressly for use therein;

(c) The documents incorporated by reference in the Prospectus, when they became effective or were filed with the Commission, as the case may be, conformed in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder, and none of such documents contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and any further documents so filed and incorporated by reference in the Prospectus or any further amendment or supplement thereto, when such documents become effective or are filed with the Commission, as the case may be, will conform in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through Goldman, Sachs & Co. expressly for use therein;

(d) The Registration Statement conforms, and the Prospectus and any further amendments or supplements to the Registration Statement or the Prospectus will conform, in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder and do not and will not, as of the applicable effective date as to the Registration Statement and any amendment thereto, and as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, contain an

untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through Goldman, Sachs & Co. expressly for use therein;

(e) Neither the Company nor any of its subsidiaries has sustained since the date of the latest financial statements included or incorporated by reference in the Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus; and, since the respective latest dates as of which information is given in the Registration Statement and the Prospectus, there has not been any material change in the capital stock or long-term debt of the Company or any of its subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in the business, condition, financial or otherwise, or results of operations of the Company and its subsidiaries, taken as a whole, otherwise than as set forth or contemplated by the disclosure set forth in the Prospectus;

(f) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with the corporate power and authority to own its properties and conduct its business as described in the Prospectus, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its subsidiaries taken as a whole;

(g) Each subsidiary of the Company has been duly incorporated, is validly existing as a corporation, or other form of organization with limited liability, in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its property and to conduct its business as described in the Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its subsidiaries, taken as a whole; all of the issued

shares of the Significant Subsidiary (as defined below) have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly by the Company, free and clear of all liens, encumbrances, equities or claims. Except for Vantis Corporation (the "SIGNIFICANT SUBSIDIARY"), none of the Company's subsidiaries constitutes a "significant subsidiary," as such term is defined in Rule 1-02(w) of Regulation S-X promulgated by the Commission.

(h) The Company has an authorized capitalization as set forth in the Prospectus, and all of the outstanding shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and conform in all material respects to the description of the Stock contained in the Prospectus;

(i) The unissued Shares to be issued and sold by the Company to the Underwriters hereunder have been duly and validly authorized and, when issued and delivered against payment therefor as provided herein, will be duly and validly issued and fully paid and non-assessable and will conform in all material respects to the description of the Stock contained in the Prospectus and will not be subject to any preemptive or similar rights;

(j) The issue and sale of the Shares by the Company, and the performance by the Company of its obligations under this Agreement will not contravene any provision of applicable law or the certificate of incorporation or by-laws of the Company or, except as disclosed in the Prospectus, any agreement or other instrument binding upon the Company or any of its subsidiaries that is material to the Company and its subsidiaries, taken as a whole, or any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or any subsidiary, and no consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by the Company of its obligations under this Agreement, or for the issue and sale of the Shares, except such as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Shares by the Underwriters or except such as may be required by the terms of this Agreement following the Time of Delivery;

(k) This Agreement has been duly authorized, executed and delivered by the Company;

(l) The statements set forth in the Prospectus under the caption "Description of Capital Stock", insofar as such statements constitute

summaries of the legal matters and documents referred to therein, fairly summarize in all material respects the matters referred to therein;

(m) Except as disclosed in the Prospectus, there are no legal or governmental proceedings pending or, to the Company's knowledge, threatened to which the Company or any of its subsidiaries is a party or to which any of the properties of the Company or any of its subsidiaries is subject other than proceedings accurately described in all material respects in the Prospectus and proceedings that would not have a material adverse effect on the Company and its subsidiaries, taken as a whole;

(n) The Company and its subsidiaries (i) are in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("ENVIRONMENTAL LAWS"), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) are in compliance with all terms and conditions of any such permit, license or approval, except where such noncompliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole;

(o) There are no costs or liabilities associated with Environmental Laws (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties) which would, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole; and

(p) The Company is not, and immediately after the Time of Delivery will not be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

2. Subject to the terms and conditions herein set forth, (a) the Company agrees to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at a purchase price per share of $................, the number of Firm Shares set forth opposite the name of such Underwriter in Schedule I hereto and (b) in the event and to the extent that the Underwriters shall exercise the election to purchase Optional

Shares as provided below, the Company agrees to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at the purchase price per share set forth in clause (a) of this Section 2, that portion of the number of Optional Shares as to which such election shall have been exercised (to be adjusted by you so as to eliminate fractional shares) determined by multiplying such number of Optional Shares by a fraction, the numerator of which is the maximum number of Optional Shares which such Underwriter is entitled to purchase as set forth opposite the name of such Underwriter in Schedule I hereto and the denominator of which is the maximum number of Optional Shares that all of the Underwriters are entitled to purchase hereunder.

The Company hereby grants to the Underwriters the right to purchase at their election up to 600,000 Optional Shares, at the purchase price per share set forth in the paragraph above, for the sole purpose of covering sales of shares in excess of the number of Firm Shares. Any such election to purchase Optional Shares may be exercised only by written notice from you to the Company, given within a period of 30 calendar days after the date of this Agreement, setting forth the aggregate number of Optional Shares to be purchased and the date on which such Optional Shares are to be delivered, as determined by you but in no event earlier than the First Time of Delivery (as defined in Section 4 hereof) or, unless you and the Company otherwise agree in writing, earlier than two or later than ten business days after the date of such notice.

3. Upon the authorization by you of the release of the Firm Shares, the several Underwriters propose to offer the Firm Shares for sale upon the terms and conditions set forth in the Prospectus.

4. (a) The Shares to be purchased by each Underwriter hereunder, in definitive form, and in such authorized denominations and registered in such names as Goldman, Sachs & Co. may request upon at least forty-eight hours' prior notice to the Company shall be delivered by or on behalf of the Company to Goldman, Sachs & Co., through the facilities of the Depository Trust Company ("DTC"), for the account of such Underwriter, against payment by or on behalf of such Underwriter of the purchase price therefor by wire transfer of Federal (same-day) funds to the account specified by the Company to Goldman, Sachs & Co. at least forty-eight hours in advance. The Company will cause the certificates representing the Shares to be made available for checking and packaging at least twenty-four hours prior to the Time of Delivery (as defined below) with respect thereto at the office of DTC or its designated custodian (the "DESIGNATED OFFICE"). The time and date of such delivery and payment shall be, with respect to the Firm Shares, 9:30 a.m., New York City time, on August .... , 2000 or such other time and date as Goldman, Sachs & Co. and the Company may agree upon

in writing, and, with respect to the Optional Shares, 9:30 a.m., New York time, on the date specified by Goldman, Sachs & Co. in the written notice given by Goldman, Sachs & Co. of the Underwriters' election to purchase such Optional Shares, or such other time and date as Goldman, Sachs & Co. and the Company may agree upon in writing. Such time and date for delivery of the Firm Shares is herein called the "FIRST TIME OF DELIVERY", such time and date for delivery of the Optional Shares, if not the First Time of Delivery, is herein called the "SECOND TIME OF DELIVERY", and each such time and date for delivery is herein called a "TIME OF DELIVERY".

(b) The documents to be delivered at the each Time of Delivery by or on behalf of the parties hereto pursuant to Section 7 hereof, including the cross receipt for the Shares and any additional documents requested by the Underwriters pursuant to Section 7(k) hereof, will be delivered at the offices of Wilson Sonsini Goodrich & Rosati, Professional Corporation, 650 Page Mill Road, Palo Alto, California 94304 (the "CLOSING LOCATION"), and the Shares will be delivered at the Designated Office, all at the such Time of Delivery. A meeting will be held at the Closing Location at ....p.m., California time, on the New York Business Day next preceding such Time of Delivery, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto. For the purposes of this Section 4, "NEW YORK BUSINESS DAY" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close.

5. The Company agrees with each of the Underwriters:

(a) To prepare the Prospectus in a form approved by you and to file such Prospectus pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement, or, if applicable, such earlier time as may be required by Rule 430A(a)(3) under the Act; to make no further amendment or any supplement to the Registration Statement or Prospectus prior to the last Time of Delivery which shall be disapproved by you promptly after reasonable notice thereof; to advise you, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any supplement to the Prospectus or any amended Prospectus has been filed and to furnish you with copies thereof; to file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of the Prospectus and for so long as the delivery of a prospectus is required in connection with the

offering or sale of the Shares; to advise you, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or prospectus, of the suspension of the qualification of the Shares for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or prospectus or suspending any such qualification, promptly to use commercially reasonable efforts to obtain the withdrawal of such order;

(b) Promptly from time to time to take such action as you may reasonably request to qualify the Shares for offering and sale under the securities laws of such jurisdictions as you may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Shares, provided that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction or assume any ongoing reporting obligations to any governmental or other authorities in any jurisdiction;

(c) Prior to noon, New York City time, on the New York Business Day next succeeding the date of this Agreement and from time to time, to furnish the Underwriters with copies of the Prospectus in New York City in such quantities as you may reasonably request, and, if the delivery of a prospectus is required at any time prior to the expiration of nine months after the time of issue of the Prospectus in connection with the offering or sale of the Shares and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary during such period to amend or supplement the Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus in order to comply with the Act or the Exchange Act, to notify you and upon your request to file such document and to prepare and furnish without charge to each Underwriter and to any dealer in securities as many copies as you may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct

such statement or omission or effect such compliance, and in case any Underwriter is required to deliver a prospectus in connection with sales of any of the Shares at any time nine months or more after the time of issue of the Prospectus, upon your request but at the expense of such Underwriter, to prepare and deliver to such Underwriter as many copies as you may request of an amended or supplemented Prospectus complying with Section 10(a)(3) of the Act;

(d) To make generally available to its securityholders as soon as practicable, but in any event not later than eighteen months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act), an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations thereunder (including, at the option of the Company, Rule 158);

(e) Not to dispose of or hedge any of the Company's common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of the final Prospectus continuing through the date 90 days after the date of the final Prospectus, without the prior written consent of Goldman, Sachs & Co. The Company may, however, without any such consent: (i) issue and sell the Shares; (ii) issue common stock upon the exercise of options or warrants or on conversion or exchange of any convertible or exchangeable securities outstanding on the date of the final Prospectus; (iii) grant options or issue and sell stock upon the exercise of outstanding stock options or otherwise pursuant to the Company's and its subsidiaries stock option or employee stock purchase plans; and (iv) issue, or agree to issue, securities of the Company as consideration in connection with any future acquisitions or strategic investments of the Company or securities of the Company issuable upon exercise or conversion of the foregoing securities.

(f) To use its best efforts to list for quotation the Shares on the National Association of Securities Dealers Automated Quotations National Market System ("NASDAQ"); and

(g) If the Company elects to rely upon Rule 462(b), the Company shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) by 8:30 A.M., Washington, D.C. time, on the New York Business Day following the date of this Agreement, and the Company shall at the time of filing either pay to the Commission the filing fee for the Rule 462(b) Registration Statement or give irrevocable

instructions for the payment of such fee pursuant to Rule 111(b) under the Act.

6. The Company covenants and agrees with the several Underwriters that the Company will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Shares under the Act and all other expenses in connection with the preparation, printing and filing of the Registration Statement, any Preliminary Prospectus and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers, except as set forth in Section 5(c) hereof; (ii) the cost of printing or producing any Agreement among Underwriters, this Agreement, the Blue Sky Memorandum, closing documents (including any compilations thereof) and any other documents in connection with the offering, purchase, sale and delivery of the Shares; (iii) all expenses in connection with the qualification of the Shares for offering and sale under state securities laws as provided in Section 5(b) hereof, including the reasonable fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky survey; (iv) all fees and expenses in connection with listing the Shares on the NASDAQ; (v) the filing fees incident to, and the fees and disbursements of counsel for the Underwriters in connection with, securing any required review by the National Association of Securities Dealers, Inc. of the terms of the sale of the Shares; (vi) the cost of preparing stock certificates; (vii) the cost and charges of any transfer agent or registrar; and (viii) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section. It is understood, however, that, except as provided in this Section, and Sections 8 and 11 hereof, the Underwriters will pay all of their own costs and expenses, including the fees of their counsel, stock transfer taxes on resale of any of the Shares by them, and any advertising expenses connected with any offers they may make.

7. The obligations of the Underwriters hereunder, as to the Shares to be delivered at each Time of Delivery, shall be subject, in their discretion, to the condition that all representations and warranties and other statements of the Company herein are, at and as of such Time of Delivery, true and correct, the condition that the Company shall have performed all of its obligations hereunder theretofore to be performed, and the following additional conditions:

(a) The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for such filing by the rules and regulations under the Act and in accordance with Section 5(a) hereof; if the Company has elected to rely upon Rule 462(b), the Rule 462(b) Registration Statement shall have become

effective by 8:30 A.M., Washington, D.C. time, on the New York Business Day following the date of this Agreement; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to your reasonable satisfaction;

(b) Davis Polk & Wardwell, counsel for the Underwriters, shall have furnished to you such written opinion or opinions, dated such Time of Delivery, with respect to the matters covered in paragraphs (i), (iii), (iv) (as to the Shares), (viii), and (x) of subsection (c) below as well as such other related matters as you may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters;

(c) Wilson Sonsini Goodrich & Rosati, counsel for the Company, shall have furnished to you their written opinion, dated such Time of Delivery, in form and substance satisfactory to you, to the effect that:

> (i) The Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of Delaware and has the corporate power and authority to own its property and to conduct its business as described in the Prospectus and is duly qualified to transact business and is in good standing in California, Georgia, Illinois, Massachusetts, Minnesota, New Jersey, North Carolina, Oregon, and Texas;
>
> (ii) The Significant Subsidiary has been duly incorporated, is validly existing as a corporation in good standing under the laws of Delaware and has the corporate power and authority to own its property and to conduct its business as described in the Prospectus. To our knowledge, all of the issued shares of capital stock of the Significant Subsidiary have been duly and validly authorized and issued, are fully paid and non-assessable, and are owned directly by the Company, free and clear of adverse claims;
>
> (iii) This Agreement has been duly authorized, executed and delivered by the Company;

(iv) The authorized capital stock of the Company conforms as to legal matters to the description thereof as set forth in the Prospectus under the caption "Capitalization", and the Shares being delivered at such Time of Delivery have been duly authorized and, when issued and delivered in accordance with the terms of the Agreement, will be validly issued, fully paid and non-assessable; and the Shares conform in all material respects to the description of the Stock contained in the Prospectus;

(v) The issue and sale of the Shares by the Company, in accordance with this Agreement, does not contravene any provision of applicable U.S. Federal or California state law or the certificate of incorporation or by-laws of the Company or any Reviewed Agreement, or, to such counsel's knowledge, any judgment, order or decree of any U.S. Federal or California state governmental body, agency or court having jurisdiction over the Company, and no consent, approval, authorization or order of, or qualification with, any U.S. Federal or California state governmental body or agency is required by the Company for the issuance and sale of the Shares by the Company pursuant to this Agreement, except such as may be contemplated thereby or as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Shares by the Underwriters and such as may be required by the terms of this Agreement after the Time of Delivery. For purposes of this opinion, "REVIEWED AGREEMENTS" means all agreements that would be required to be filed by the Company as an Exhibit to the Company's Annual Report on Form 10-K if the Company was filing its Annual Report for the first time as determined by, and certified to such counsel by, the Company;

(vi) To such counsel's knowledge, there are no legal or governmental proceedings pending or threatened in writing to which the Company is a party or to which any of the properties of the Company is subject other than proceedings fairly summarized in all material respects in the Prospectus or, to such counsel's knowledge, which are not likely to have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(vii) The Company is not, and after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Prospectus will not be, an

"investment company" as such term is defined in the Investment Company Act of 1940, as amended;

(viii) The statements set forth in the Prospectus under the caption "Description of Capital Stock", insofar as such statements constitute summaries of the legal matters and documents referred to therein, fairly summarize in all material respects the matters referred to therein;

(ix) The documents incorporated by reference in the Prospectus or any further amendment or supplement thereto made by the Company prior to such Time of Delivery (other than the financial statements and related schedules and other financial data derived from accounting records included therein or omitted therefrom, as to which such counsel need express no opinion), when they became effective or were filed with the Commission, appeared on their face to comply as to form in all material respects with the requirements of the Exchange Act, and the rules and regulations of the Commission thereunder; and

(x) Such counsel shall also have furnished to you a written statement (included in such written opinion or in a separate letter) to the effect that, although such counsel has not verified, and is not passing upon and does not assume any responsibility for, the accuracy, completeness or fairness of the statements contained in the Registration Statement and the Prospectus and any further amendments and supplements thereto made by the Company prior to such Time of Delivery, except as set forth in paragraph (viii) above, such counsel has acted as counsel to the Company in connection with the preparation of the Registration Statement and Prospectus and any such further amendments or supplements and such counsel has reviewed and discussed the contents of the Registration Statement and the Prospectus and any such further amendments and supplements with representatives of the Company, its auditors, you and your counsel, and on the basis of the information that such counsel gained in the course of this review and discussion, such counsel advises you that in its opinion the Registration Statement and any further amendment thereto made prior to such Time of Delivery, as of its effective date, and the Prospectus and any further amendment or supplement thereto made by the Company prior to such Time of Delivery, as of its date, appeared on their face to comply as to form in all material respects with the requirements of the Act and the rules and

regulations thereunder, and that in the course of this review and discussion, but without independent check or verification, no facts have come to such counsel's attention that caused it to believe (i) that, as of its effective date, the Registration Statement or any further amendment thereto made by the Company prior to such Time of Delivery contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that, as of its date or such Time of Delivery, the Prospectus or any further amendment or supplement thereto made by the Company prior to such Time of Delivery contained an untrue statement of material fact or omitted to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or (ii) that there were any contracts of a character required to be described in the Registration Statement or Prospectus which were not described in all material respects as required under the Act and the rules and regulations thereunder.

Such counsel need not express any opinion or make any statement as to the financial statements and related schedules or other financial data derived from accounting records included in or omitted from the Registration Statement or the Prospects or any amendment or supplement thereto.

(d) On the date of the Prospectus at a time prior to the execution of this Agreement, at 9:30 a.m., New York City time, on the effective date of any post-effective amendment to the Registration Statement filed subsequent to the date of this Agreement and also at each Time of Delivery, PricewaterhouseCoopers LLP and Ernst & Young LLP shall have furnished to you letters, dated the respective dates of delivery thereof, in form and substance satisfactory to you, to the effect set forth in Annex I hereto;

(e) (i) Neither the Company nor any of its subsidiaries shall have sustained since the date of the latest financial statements included or incorporated by reference in the Prospectus any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus, and (ii) since the respective latest dates as of which information is given in the Prospectus there shall not have been any material change in the capital stock or long-term debt of the Company or any of its subsidiaries or any material adverse change, or any development

involving a prospective material adverse change, in the business, condition, financial or otherwise, or results of operations of the Company and its subsidiaries, taken as a whole, otherwise than as set forth or contemplated by the disclosure set forth in the Prospectus, the effect of which, in any such case described in clause (i) or (ii), is in the reasonable judgment of the Representatives so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Prospectus;

(f) On or after the date hereof (i) no downgrading shall have occurred in the rating accorded the Company's debt securities by any "nationally recognized statistical rating organization", as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Act, and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's debt securities;

(g) On or after the date hereof there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange; (ii) a suspension or material limitation in trading in the Company's securities on NASDAQ; (iii) a general moratorium on commercial banking activities declared by either Federal or California State authorities; or (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war, if the effect of any such event specified in this clause (iv) in the judgment of the Representatives makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Prospectus;

(h) The Shares to be sold at such Time of Delivery shall have been duly listed for quotation on NASDAQ;

(i) The Company has obtained and delivered to the Underwriters executed copies of an agreement from the executive officers listed in the Prospectus and the directors of the Company, substantially in the form of Annex III hereto relating to sales and certain other dispositions of shares of common stock or certain other securities;

(j) The Company shall have complied with the provisions of Section 5(c) hereof with respect to the furnishing of prospectuses on the New York Business Day next succeeding the date of this Agreement; and

(k) The Company shall have furnished or caused to be furnished to you at such Time of Delivery certificates of officers of the Company satisfactory to you as to the accuracy of the representations and warranties of the Company herein at and as of such Time of Delivery, as to the performance by the Company of all of its obligations hereunder to be performed at or prior to such Time of Delivery, as to the matters set forth in subsections (a) and (e) (other than the final clause thereof) of this Section and as to such other matters as you may reasonably request.

8. (a) The Company will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement or the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by any Underwriter through Goldman, Sachs & Co. expressly for use therein.

(b) Each Underwriter will indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in any Preliminary Prospectus, the Registration Statement or the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information

furnished to the Company by such Underwriter through Goldman, Sachs & Co. expressly for use therein; and will reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such action or claim as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 8 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Shares. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice

required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contributions pursuant to this subsection (d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

(e) The obligations of the Company under this Section 8 shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section 8 shall be in addition to any liability which the

respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company (including any person who, with his or her consent, is named in the Registration Statement as about to become a director of the Company) and to each person, if any, who controls the Company within the meaning of the Act.

9. (a) If any Underwriter shall default in its obligation to purchase the Shares which it has agreed to purchase hereunder at a Time of Delivery, you may in your discretion arrange for you or another party or other parties to purchase such Shares on the terms contained herein. If within thirty-six hours after such default by any Underwriter you do not arrange for the purchase of such Shares, then the Company shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to you to purchase such Shares on such terms. In the event that, within the respective prescribed periods, you notify the Company that you have so arranged for the purchase of such Shares, or the Company notifies you that it has so arranged for the purchase of such Shares, you or the Company shall have the right to postpone such Time of Delivery for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, or in any other documents or arrangements, and the Company agrees to file promptly any amendments to the Registration Statement or the Prospectus which in your opinion may thereby be made necessary. The term "UNDERWRITER" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Shares.

(b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you and the Company as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased does not exceed one-eleventh of the aggregate number of all the Shares to be purchased at such Time of Delivery, then the Company shall have the right to require each non-defaulting Underwriter to purchase the number of shares which such Underwriter agreed to purchase hereunder at such Time of Delivery and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the number of Shares which such Underwriter agreed to purchase hereunder) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you and the Company as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased exceeds one-eleventh of the aggregate number of all the

Shares to be purchased at such Time of Delivery, or if the Company shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Shares of a defaulting Underwriter or Underwriters, then this Agreement (or, with respect to the Second Time of Delivery, the obligations of the Underwriters to purchase and of the Company to sell the Optional Shares) shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company, except for the indemnity and contribution agreements in Section 8 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

10. The respective indemnities, agreements, representations, warranties and other statements of the Company and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Company, or any officer or director or controlling person of the Company, and shall survive delivery of and payment for the Shares.

11. If this Agreement shall be terminated by the Underwriters, or any of them, because of any failure or refusal on the part of the Company to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Company shall be unable to perform its obligations under this Agreement, the Company will reimburse the Underwriters (or such Underwriters as have so terminated this Agreement with respect to themselves) through you for all out-of-pocket expenses approved in writing by you, including fees and disbursements of counsel, reasonably incurred by the Underwriters in connection with this Agreement or the offering contemplated hereunder, but the Company shall then be under no further liability to any Underwriter except as provided in Sections 6 and 8 hereof. Notwithstanding the foregoing sentence and anything else to the contrary set forth in this Agreement, if this Agreement shall be terminated (i) pursuant to Section 9 hereof or (ii) by the Underwriters, or any of them, solely because of the occurrence of any event specified in Section 7(g) hereof, then the Company, in either case, will not be required to reimburse the Underwriters or such Underwriters who have so terminated this Agreement for any expenses (including the fees and disbursements of their counsel) incurred by such Underwriters in connection with this Agreement or the offering contemplated hereunder.

12. In all dealings hereunder, you shall act on behalf of each of the Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or

given by you jointly or by Goldman, Sachs & Co. on behalf of you as the representatives.

All statements, requests, notices and agreements hereunder shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to you as the representatives in care of Goldman, Sachs & Co., 1 Liberty Plaza, 7th Floor, New York, New York 10005, Attention: Registration Department; and if to the Company shall be delivered or sent by mail to the address of the Company set forth in the Registration Statement, Attention: Chief Financial Officer; provided, however, that any notice to an Underwriter pursuant to Section 8(c) hereof shall be delivered or sent by mail, telex or facsimile transmission to such Underwriter at its address set forth in its Underwriters' Questionnaire, or telex constituting such Questionnaire, which address will be supplied to the Company by you upon request. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

13. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company and, to the extent provided in Sections 8 and 10 hereof, the officers and directors of the Company and each person who controls the Company or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Shares from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

14. Time shall be of the essence of this Agreement. As used herein, the term "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

15. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

16. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

If the foregoing is in accordance with your understanding, please sign and return to us five counterparts hereof, and upon the acceptance hereof by you, on behalf of each of the Underwriters, this letter and such acceptance hereof shall constitute a binding agreement between each of the Underwriters and the Company. It is understood that your acceptance of this letter on behalf of each of the Underwriters is pursuant to the authority set forth in a form of Agreement among Underwriters, the form of which shall be submitted to the Company for examination upon request, but without warranty on your part as to the authority of the signers thereof.

Very truly yours,

LATTICE SEMICONDUCTOR CORPORATION

By:

Name:
Title:

Accepted as of the date hereof:

GOLDMAN, SACHS & CO.
MORGAN STANLEY & CO. INCORPORATED
PRUDENTIAL SECURITIES INCORPORATED

By:

(Goldman, Sachs & Co.)

By:

Name:
Title:

On behalf of each of the Underwriters

SCHEDULE I

Underwriter	Total Number of Firm Shares to be Purchased	Number of Optional Shares to be Purchased if Maximum Option Exercised
Goldman, Sachs & Co.		
Morgan Stanley &Co. Incorporated		
Prudential Securities Incorporated		
	---------------	---------------
Total	4,000,000	600,000
	===============	===============

FORM OF ANNEX I DESCRIPTION OF COMFORT LETTER

Pursuant to Section 7(d) of the Underwriting Agreement, the accountants shall furnish letters to the Underwriters to the effect that:

(i) They are independent certified public accountants with respect to the Company and its subsidiaries within the meaning of the Act and the applicable published rules and regulations thereunder;

(ii) In their opinion, the financial statements and any supplementary financial information and schedules (and, if applicable, financial forecasts and/or pro forma financial information) examined by them and included or incorporated by reference in the Registration Statement or the Prospectus comply as to form in all material respects with the applicable accounting requirements of the Act or the Exchange Act, as applicable, and the related published rules and regulations thereunder; and, if applicable, they have made a review in accordance with standards established by the American Institute of Certified Public Accountants of the consolidated interim financial statements, selected financial data, pro forma financial information, financial forecasts and/or condensed financial statements derived from audited financial statements of the Company for the periods specified in such letter, as indicated in their reports thereon, copies of which have been furnished to the representatives of the Underwriters (the "Representatives") and are attached hereto;

(iii) They have made a review in accordance with standards established by the American Institute of Certified Public Accountants of the unaudited condensed consolidated statements of income, consolidated balance sheets and consolidated statements of cash flows included in the Prospectus and/or included in the Company's quarterly report on Form 10-Q incorporated by reference into the Prospectus; and on the basis of specified procedures including inquiries of officials of the Company who have responsibility for financial and accounting matters regarding whether the unaudited condensed consolidated financial statements referred to in paragraph (vi)(A)(i) below comply as to form in all material respects with the applicable accounting requirements of the Act and the Exchange Act and the related published rules and regulations, nothing came to their attention that caused them to believe that the unaudited condensed consolidated financial statements do not comply as to form in all material respects with the applicable accounting requirements of the Act and the Exchange Act and the related published rules and regulations;

(iv) The unaudited selected financial information with respect to the consolidated results of operations and financial position of the Company for the three most recent fiscal years included in the Prospectus and included or incorporated by reference in Item 6 of the Company's Annual Report on Form 10-K for the most recent fiscal year agrees with the corresponding amounts (after restatement where applicable) in the audited consolidated financial statements for such three fiscal years which were included or incorporated by reference in the Company's Annual Reports on Form 10-K for such fiscal years;

(v) They have compared the information in the Prospectus under selected captions with the disclosure requirements of Regulation S-K and on the basis of limited procedures specified in such letter nothing came to their attention as a result of the foregoing procedures that caused them to believe that this information does not conform in all material respects with the disclosure requirements of Items 301, 302, 402 and 503(d), respectively, of Regulation S-K;

(vi) On the basis of limited procedures, not constituting an examination in accordance with generally accepted auditing standards, consisting of a reading of the unaudited financial statements and other information referred to below, a reading of the latest available interim financial statements of the Company and its subsidiaries, inspection of the minute books of the Company and its subsidiaries since the date of the latest audited financial statements included or incorporated by reference in the Prospectus, inquiries of officials of the Company and its subsidiaries responsible for financial and accounting matters and such other inquiries and procedures as may be specified in such letter, nothing came to their attention that caused them to believe that:

(A) (i) the unaudited condensed consolidated statements of income, consolidated balance sheets and consolidated statements of cash flows included in the Prospectus and/or included or incorporated by reference in the Company's Quarterly Reports on Form 10-Q incorporated by reference in the Prospectus do not comply as to form in all material respects with the applicable accounting requirements of the Exchange Act and the related published rules and regulations, or (ii) any material modifications should be made to the unaudited condensed consolidated statements of income, consolidated balance sheets and consolidated statements of cash flows included in the Prospectus or included in the Company's Quarterly Reports on Form 10-Q incorporated by reference in the Prospectus, for them to be in conformity with generally accepted accounting principles;

(B) any other unaudited income statement data and balance sheet items included in the Prospectus do not agree with the corresponding items in the unaudited consolidated financial statements from which such data and items were derived, and any such unaudited data and items were not determined on a basis substantially consistent with the basis for the corresponding amounts in the audited consolidated financial statements included or incorporated by reference in the Company's Annual Report on Form 10-K for the most recent fiscal year;

(C) the unaudited financial statements which were not included in the Prospectus but from which were derived the unaudited condensed financial statements referred to in clause (A) and any unaudited income statement data and balance sheet items included in the Prospectus and referred to in clause (B) were not determined on a basis substantially consistent with the basis for the audited financial statements included or incorporated by reference in the Company's Annual Report on Form 10-K for the most recent fiscal year;

(D) any unaudited pro forma consolidated condensed financial statements included or incorporated by reference in the Prospectus do not comply as to form in all material respects with the applicable accounting requirements of the Act and the published rules and regulations thereunder or the pro forma adjustments have not been properly applied to the historical amounts in the compilation of those statements;

(E) as of a specified date not more than five days prior to the date of such letter, there have been any changes in the consolidated capital stock (other than issuances of capital stock upon exercise of options and stock appreciation rights, upon earn-outs of performance shares and upon conversions of convertible securities, in each case which were outstanding on the date of the latest balance sheet included or incorporated by reference in the Prospectus) or any increase in the consolidated long-term debt of the Company and its subsidiaries, or any decreases in consolidated net current assets or stockholders' equity or other items specified by the Representatives, or any increases in any items specified by the Representatives, in each case as compared with amounts shown in the latest balance sheet included or incorporated by reference in the Prospectus, except in each case for changes, increases or decreases which the Prospectus discloses have occurred or may occur or which are described in such letter; and

(F) for the period from the date of the latest financial statements included or incorporated by reference in the Prospectus to the

specified date referred to in clause (E) there were any decreases in consolidated net revenues or operating profit or the total or per share amounts of consolidated net income or other items specified by the Representatives, or any increases in any items specified by the Representatives, in each case as compared with the comparable period of the preceding year and with any other period of corresponding length specified by the Representatives, except in each case for increases or decreases which the Prospectus discloses have occurred or may occur or which are described in such letter; and

(vii) In addition to the examination referred to in their report(s) included or incorporated by reference in the Prospectus and the limited procedures, inspection of minute books, inquiries and other procedures referred to in paragraphs (iii) and (vi) above, they have carried out certain specified procedures, not constituting an examination in accordance with generally accepted auditing standards, with respect to certain amounts, percentages and financial information specified by the Representatives which are derived from the general accounting records of the Company and its subsidiaries, which appear in the Prospectus (excluding documents incorporated by reference) or in Part II of, or in exhibits and schedules to, the Registration Statement specified by the Representatives or in documents incorporated by reference in the Prospectus specified by the Representatives, and have compared certain of such amounts, percentages and financial information with the accounting records of the Company and its subsidiaries and have found them to be in agreement.

EXHIBIT 5.1

WILSON SONSINI GOODRICH & ROSATI
PROFESSIONAL CORPORATION
650 PAGE MILL ROAD
PALO ALTO, CALIFORNIA 94304-1050
TELEPHONE (650) 493-9300 FACSIMILE (650) 493-6811

July 20, 2000

Lattice Semiconductor Corporation
5555 N.E. Moore Court
Hillsboro, OR 97124

RE: LATTICE SEMICONDUCTOR CORPORATION
REGISTRATION STATEMENT ON FORM S-3

Ladies and Gentlemen:

We have examined the Registration Statement on Form S-3 filed by you with the Securities and Exchange Commission ("SEC") on July 11, 2000 (the "Registration Statement"), in connection with the registration under the Securities Act of 1933, as amended, of up to 4,600,000 shares of your Common Stock (the "Shares"). As your legal counsel in this transaction, we have examined the proceedings taken, and are familiar with the proceedings proposed to be taken, by you in connection with the sale and issuance of the Shares.

It is our opinion that, upon completion of the proceedings being taken or contemplated by us, as your counsel in connection with this transaction, to be taken prior to the issuance of the Shares, the Shares when issued and sold in the manner described in the Registration Statement and in accordance with the resolutions adopted by the Board of Directors of the Company will be legally and validly issued, fully paid and nonassessable.

We consent to the use of this opinion as an exhibit to the Registration Statement and further consent to the use of our name wherever appearing in the Registration Statement, including the Prospectus constituting a part thereof, and any amendments thereto.

Very truly yours,
WILSON SONSINI GOODRICH & ROSATI
Professional Corporation
/s/ Wilson Sonsini Goodrich & Rosati

EXHIBIT 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of our reports dated January 19, 2000 relating to the financial statements and financial statement schedules, which appear in Lattice Semiconductor Corporation's Annual Report on Form 10-K for the fiscal period ended December 31, 1999. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Portland, Oregon
July 19, 2000

EXHIBIT 23.2

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" in Amendment No. 1 to the Registration Statement (Form S-3) and related Prospectus of Lattice Semiconductor Corporation for the registration of shares of it's common stock and to the incorporation by reference therein of our report dated February 8, 1999, with respect to the consolidated financial statements of Vantis Corporation included in Lattice Semiconductor Corporation's Current Report on Form 8-K, as amended, dated June 15, 1999, filed with the Securities and Exchange Commission.

/s/ ERNST & YOUNG LLP

San Jose, California
July 18, 2000