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FORM 8-K  
CURRENT REPORT  
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Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

April 22, 2003  
Date of Report (Date of earliest event reported)

LATTICE SEMICONDUCTOR CORPORATION  
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	000-18032 (Commission File Number)	93-0835214 (I.R.S. Employer Identification No.)
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5555 NE Moore Court Hillsboro, OR 97124-6421 (Address of principal executive offices)	(503) 268-8000 (Registrant's telephone number, including area code)
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Item 7. Exhibits.

(c) Exhibits:

The following exhibit is filed with this report on Form 8-K:

Exhibit No.	Description
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99.1	Press Release of Lattice Semiconductor Corporation, dated April 22, 2003.

Item 9. Regulation FD Disclosure and Disclosure of Results of Operations and Financial Condition (Item 12)\*

The following information and exhibit relating thereto are furnished pursuant to Items 9 and 12 of this Current Report on Form 8-K: On April 22, 2003, Lattice Semiconductor Corporation (the "Company") issued a press release announcing the Company's earnings for the fiscal quarter ended March 29, 2003. A copy of the press release is attached hereto as Exhibit 99.1.

\* The information furnished under Item 9 and Item 12 of this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release of Lattice Semiconductor Corporation, dated April 22, 2003.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LATTICE SEMICONDUCTOR CORPORATION

Date: April 22, 2003

By: /s/ STEPHEN A. SKAGGS

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Name: STEPHEN A. SKAGGS  
Title: Chief Financial Officer



## Lattice Semiconductor Reports First Quarter Results

HILLSBORO, Ore.--(BUSINESS WIRE)--April 22, 2003--Lattice Semiconductor Corporation (Nasdaq:LSCC) today announced financial results for the first quarter of 2003.

Revenue for the quarter was \$58.3 million, an increase of one percent from last quarter's revenue of \$57.7 million and down one percent from the \$58.9 million reported in the same quarter a year ago. Quarterly revenue from high density CPLD products was \$40.7 million, an increase of four percent from last quarter while quarterly revenue from FPGA products was \$8.4 million, a decrease of nine percent from last quarter.

On a GAAP basis, net loss for the quarter was \$18.8 million (\$0.17 per share). This loss includes a \$21.1 million charge for amortization of intangible assets.

Non-GAAP income for the quarter was \$2.3 million (\$0.02 per share). Non-GAAP earnings exclude non-cash acquisition related amortization expenses. Management believes this presentation is useful to investors because it more closely approximates our cash earnings performance. A reconciliation of non-GAAP to GAAP earnings accompanies the financial tables in this earnings release.

"We are pleased to report sequential revenue growth and an improvement in our non-GAAP operating income for the second consecutive quarter," stated Cyrus Y. Tsui, chairman and chief executive officer. "Our CPLD revenue grew nicely and our results reflect the broad leadership position of our innovative product portfolio. Despite the sequential decline in our FPGA revenue, we remain confident about ongoing customer design activity and the future prospects for our advanced FPSC products and our innovative XP products. We will continue to sustain our R&D investment to develop a portfolio of differentiated FPGA solutions that allows us to improve our position in this attractive segment of the PLD market."

"Over the last three months, we have released three new products," continued Tsui. "First, the ORT42G5, our latest field programmable system chip ("FPSC"), offers four channels of leadership SERDES input/output ("I/O") technology running at up to 3.7 gigabits per second. At roughly half the cost of our existing eight-channel ORT82G5 device, and with double the programmable logic resources per SERDES channel, the ORT42G5 extends the market reach of our FPSC products. Second, the ispMACH(R) 4000Z family offers the world's lowest power CPLDs. With an eighty percent reduction in static power consumption versus competitive alternatives and leadership performance, the ispMACH 4000Z will allow us to compete effectively for designs within the emerging consumer end market. Finally, the ispPAC(R) POWR 1208, the world's first mixed signal PLD, breaks new ground by combining programmable logic and programmable analog on a single chip. Based on an intuitive silicon architecture and easy to use software, this device allows designers to easily meet the challenges of sequencing and managing the multiple power supplies prevalent within today's advanced systems. We believe the unique technology underlying the ispPAC POWR will be instrumental in opening new markets for programmable products and for Lattice. We are pleased with the early design activity for each of these newly released products," Tsui concluded.

## Business Outlook -- June 2003 Quarter

The Company believes that second quarter revenues will be essentially flat on a sequential basis. Gross margins are expected to remain at approximately 60% of revenue. Operating expenses are expected to be essentially flat on a sequential basis. Intangible asset amortization is expected to decline to approximately \$18.6 million. Finally, Other Income is expected to be approximately \$1 million.

On April 22, 2003, Lattice will hold a telephone conference call at 2:00 pm (Pacific time) with financial analysts and publish a "Business Outlook Statement" covering the June 2003 quarter. Investors may listen to our conference call via the web at [www.on24.com](http://www.on24.com). Both the conference call and our business outlook statement will be available on our website, [www.lsc.com](http://www.lsc.com) through April 29, 2003. On June 12, 2003, we plan to publish a "Business Update Statement" on our website for five calendar days. Our financial guidance will be limited to the comments on our public quarterly earnings call and these public business outlook statements. Additionally, during the June 2003 quarter, Lattice plans to participate in investor conferences sponsored by JP Morgan, Salomon Smith Barney and Bear Stearns. Specific presentation dates and times are posted on our website at [www.lsc.com](http://www.lsc.com).

The foregoing paragraphs contain forward-looking statements within

the meaning of the Federal Securities laws including statements about future quarterly financial results, revenues, customers, product offerings and our ability to compete. Investors are cautioned that actual events and results could differ materially from these statements as a result of a number of factors, including overall semiconductor market conditions, potential impact on demand and customers from a prolonged engagement in Iraq or from the SARS outbreak, market acceptance and demand for our new products, risks related to our recent acquisitions and their integration with Lattice, our dependencies on our silicon wafer suppliers, the impact of competitive products and pricing, technological and product development risks.

Oregon-based Lattice Semiconductor Corporation designs, develops and markets the broadest range of high-performance ISP(TM) programmable logic devices (PLDs), Field Programmable Gate Arrays (FPGAs) and Field Programmable System-on-a-Chip (FPSC) devices. Lattice offers total solutions for today's system designs by delivering the most innovative programmable silicon products that embody leading-edge system expertise.

Lattice products are sold worldwide through an extensive network of independent sales representatives and distributors, primarily to OEM customers in the communication, computing, industrial and military end markets. Company headquarters are located at 5555 N.E. Moore Court, Hillsboro, Oregon 97124 USA. For more information access our web site at [www.latticesemi.com](http://www.latticesemi.com).

Lattice Semiconductor Corporation, L (& design), Lattice (& design), in-system programmable, ISP and specific product designations are either registered trademarks or trademarks of Lattice Semiconductor Corporation or its subsidiaries in the United States and/or other countries.

Lattice Semiconductor Corporation  
Consolidated Statement of Operations  
(in thousands, except per share data)  
(unaudited)

Description	Three months ended		
	Mar. 31, 2003	Dec. 31, 2002	Mar. 31, 2002
Revenue	\$58,311	\$57,710	\$58,878
Costs and expenses:			
Costs of products sold	23,208	23,019	23,606
Research and development	21,832	21,790	21,385
Selling, general and administrative	12,483	12,309	11,858
In-process research and development (1)	--	--	24,200
Amortization of intangible assets (2)(3)	21,114	18,799	18,623
Total costs and expenses	78,637	75,917	99,672
Loss from operations	(20,326)	(18,207)	(40,794)
Other income (loss), net	1,491	2,253	(1,901)
Loss before provision (benefit) for income taxes	(18,835)	(15,954)	(42,695)
Provision (benefit) for income taxes (4)	--	111,146	(17,078)
Net loss	(\$18,835)	(\$127,100)	(\$25,617)
Basic loss per share	(\$0.17)	(\$1.14)	(\$0.23)
Diluted net loss per share	(\$0.17)	(\$1.14)	(\$0.23)
Shares used in per share calculations:			
Basic	111,390	111,311	109,558
Diluted (5)	111,390	111,311	109,558

Notes:

(1) Represents write-off of in-process research and development in conjunction with the January 18, 2002 acquisition of the FPGA business of Agere Systems, Inc.

- (2) Intangible assets subject to amortization aggregate \$138.1 million, net, at March 31, 2003 and relate to the acquisition of Cerdelinx Technologies, Inc. on August 26, 2002, the acquisition of the FPGA business of Agere Systems, Inc. on January 18, 2002, the acquisition of Vantis Corporation on June 16, 1999 and the acquisition of Integrated Intellectual Property Inc. on March 16, 2001. These intangible assets are amortized to expense generally over three to seven years on a straight-line basis.
- (3) Includes \$3.3 million, \$1.1 million and \$0.6 million of deferred stock compensation expense for the quarters ended March 31, 2003, December 31, 2002 and March 31, 2002, respectively, attributable to Research and Development activities.
- (4) In the quarter ended December 31, 2002, we recorded a tax charge of \$118.6 million, representing a 100% valuation allowance on our recorded deferred tax assets, in accordance with the provisions of Statement of Financial Accounting Standards No. 109.
- (5) For all periods presented, the computation of diluted net loss per share excludes the effect of stock options and our convertible notes as they are antidilutive.

Lattice Semiconductor Corporation  
Consolidated Balance Sheet  
(in thousands)  
(unaudited)

Description	Mar. 31, 2003	Dec. 31, 2002
Assets		
Current assets:		
Cash and short-term investments	\$252,847	\$276,880
Accounts receivable, net	30,651	26,374
Inventories	51,876	56,241
Other current assets	34,748	35,033
	370,122	394,528
Property and equipment, net	61,284	62,786
Foundry investments, advances and other assets	100,059	104,507
Goodwill and other intangible assets, net (1)	361,754	379,442
	\$893,219	\$941,263
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and other accrued liabilities	\$37,170	\$33,597
Deferred income on sales to distributors	13,102	11,983
Income taxes payable	--	142
	50,272	45,722
4 3/4% Convertible notes due in 2006	175,304	208,061
Other long-term liabilities	26,335	26,345
	201,639	234,406
Stockholders' equity	641,308	661,135
	\$893,219	\$941,263

Note:

- (1) Includes approximately \$11.0 million of other intangible assets, net, recorded in the September 2002 quarter in connection with the August 26, 2002 acquisition of Cerdelinx Technologies, Inc. Also includes \$142.5 million in Goodwill and \$65.6 million of other intangible assets, net, recorded in the March 2002 quarter in connection with the January 18, 2002 acquisition of the FPGA business of Agere Systems, Inc., and approximately \$81.1 million in Goodwill and \$61.6 million of other intangible assets, net, related to previous acquisitions. The other intangible assets will

be amortized to expense generally over three to seven years.  
Goodwill is not amortized effective with the March 2002 quarter.

Appendix 1

Lattice Semiconductor Corporation  
Consolidated Operations Information- Non-GAAP Basis (1)  
(in thousands, except per share data)  
(unaudited)

Description	Three months ended		
	Mar. 31, 2003	Dec. 31, 2002	Mar. 31, 2002
Revenue	\$58,311	\$57,710	\$58,878
Costs and expenses:			
Costs of products sold	23,208	23,019	23,606
Research and development	21,832	21,790	21,385
Selling, general and administrative	12,483	12,309	11,858
Total costs and expenses	57,523	57,118	56,849
Income from operations	788	592	2,029
Other income (loss), net	1,491	2,253	(1,901)
Income before provision for income taxes	2,279	2,845	128
Provision for income taxes	--	740	33
Tax shield (2)	--	4,250	3,923
Non-GAAP earnings	\$2,279	\$6,355	\$4,018
Diluted Non-GAAP earnings per share (3)	\$0.02	\$0.06	\$0.04
Shares used in calculations	113,098	112,876	112,971

Notes:

- (1) This table presents operating information which is consistent with the information reported by First Call, IBES and Zacks for Lattice Semiconductor Corporation. A reconciliation to GAAP on a per share basis is attached as Appendix 2.
- (2) Tax Shield represents the current period tax deduction available from amortizing gross goodwill and other intangible assets (approximately \$750 million as of December 31, 2002) over 15 years on a straight line basis using a 34% tax rate. As of the March 31, 2003 quarter, we are no longer reporting a Tax Shield.
- (3) For all periods presented, the computation of diluted Non-GAAP earnings includes the effect of stock options but excludes the effect of our convertible notes as they are antidilutive.

Appendix 2

Lattice Semiconductor Corporation  
Non-GAAP Earnings Reconciliation (1)  
(unaudited)

Description	Three months ended		
	Mar. 31, 2003	Dec. 31, 2002	Mar. 31, 2002
Net loss	(\$0.17)	(\$1.14)	(\$0.23)
Add:			
Amortization of intangible assets	\$0.19	\$0.12	\$0.10
In-process research and development (2)	--	--	\$0.13
Valuation allowance for deferred tax assets (3)	--	\$1.00	--
Tax shield (4)	--	\$0.04	\$0.03
Difference in effective tax rate (5)	--	\$0.04	\$0.01
Non-GAAP income	\$0.02	\$0.06	\$0.04

Notes:



- (1) This table reconciles net income (loss) to non-GAAP information, which is presented in Appendix 1, on a per-share basis.
- (2) Represents write-off of in-process research and development in conjunction with the January 18, 2002 acquisition of the FPGA business of Agere Systems, Inc.
- (3) In the quarter ended December 31, 2002, we recorded a tax charge of \$118.6 million, representing a 100% valuation allowance on our recorded deferred tax assets, in accordance with the provisions of Statement of Financial Accounting Standards No. 109.
- (4) Tax Shield represents the current period tax deduction available from amortizing gross goodwill and other intangible assets (approximately \$750 million as of December 31, 2002) over 15 years on a straight line basis using a 34% tax rate. As of the March 31, 2003 quarter, we are no longer reporting a Tax Shield.
- (5) The effective tax rate is the ratio of income tax expense to pretax income. The rates presented in the non-GAAP information presentation for the quarters ended December 31, 2002 and March 31, 2002, are different from the rates in the Statement of Operations, due primarily to the difference in the proportion of taxable income derived from operations.

Appendix 3

LATTICE SEMICONDUCTOR CORPORATION  
- Supplemental Historic Financial Information -  
(Q1 2003)

Operations Information	Q103	Q402	Q102
	-----		
Percent of Revenue			
Gross Margin	60.2%	60.1%	59.9%
R&D Expense	37.4%	37.8%	36.3%
SG&A Expense	21.4%	21.3%	20.1%
Operating (Loss) Income	-34.9%	-31.5%	-69.3%
Operating Income (Non-GAAP)	1.4%	1.0%	3.4%
Depreciation Expense (\$000)	4,742	4,856	4,699
Capital Expenditures (\$000)	3,211	3,781	4,707
Balance Sheet Information	Q103	Q402	Q102
	-----		
Current Ratio	7.4	8.6	6.7
A/R Days Revenue Outstanding	48	42	57
Inventory Months	6.7	7.3	8.1
Revenue % (by Product Family)	Q103	Q402	Q102
	-----		
FPGA	14%	16%	8%
CPLD	70%	68%	71%
SPLD	16%	16%	21%
Revenue % (by Geography)	Q103	Q402	Q102
	-----		
Americas	41%	42%	48%
Europe (incl. Africa)	29%	23%	29%
Asia (incl. ROW)	30%	35%	23%
Revenue % (by End Market)	Q103	Q402	Q102
	-----		
Communications	44%	45%	46%
Computing	21%	26%	27%
Other	35%	29%	27%
Revenue % (by Channel)	Q103	Q402	Q102
	-----		
Direct	54%	55%	50%
Distribution	46%	45%	50%

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