

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
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FORM S-3  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933  
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LATTICE SEMICONDUCTOR CORPORATION  
(Exact name of Registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction  
of  
incorporation or organization)

93-0835214  
(I.R.S. Employer  
Identification  
Number)

5555 N.E. MOORE COURT  
HILLSBORO, OREGON 97124-6421  
(503) 681-0118  
(Address, including zip code, and telephone number, including area code,  
of Registrant's principal executive offices)

STEPHEN A. SKAGGS  
CHIEF FINANCIAL OFFICER  
LATTICE SEMICONDUCTOR CORPORATION  
5555 N.E. MOORE COURT  
HILLSBORO, OREGON 97124-6421  
(503) 681-0118  
(Name, address, including zip code, and telephone number, including area code,  
of agent for service)

COPY TO:  
JOHN A. FORE, ESQ.  
WILSON SONSINI GOODRICH & ROSATI  
PROFESSIONAL CORPORATION  
650 PAGE MILL ROAD  
PALO ALTO, CA 94304  
(415) 493-9300

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: AS SOON AS  
PRACTICABLE AFTER THE EFFECTIVE DATE OF THIS REGISTRATION STATEMENT.

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. /X/

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, 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. / /

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CALCULATION OF REGISTRATION FEE

TITLE OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER SHARE(1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE
Common Stock, \$0.01 par value per share, upon exercise of warrants to purchase shares of Common Stock.....	51,550 shares	\$55.00	\$2,835,250.00	\$859.17

(1) The proposed Maximum Offering Price Per Share was estimated pursuant to Rule  
457(g) under the Securities Act of 1933, as amended (the "Securities Act"),  
under which rule the per share price is estimated by reference to the  
exercise price of the securities, which exercise price is \$55.00.

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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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INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

SUBJECT TO COMPLETION, DATED NOVEMBER 12, 1997  
PRELIMINARY PROSPECTUS

LATTICE SEMICONDUCTOR CORPORATION

51,550 SHARES

COMMON STOCK  
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This Prospectus relates to 51,550 shares (the "Shares") of common stock, \$0.01 par value (the "Common Stock") of Lattice Semiconductor Corporation (the "Company") which are issuable upon exercise of a warrant (the "Bain Warrant") issued to Bain & Company, Inc. ("Warrantholder") pursuant to a Warrant to purchase shares of the Common Stock. The Bain Warrants have been issued at an exercise price of \$55.00 per share.

The Shares may be offered from time to time by Warrantholder or its permitted transferees (collectively the "Selling Stockholders") for their own accounts at prevailing prices in the over-the-counter market on the date of sale. The Selling Stockholders will bear all sales commissions and similar expenses related to the sale of the Shares. The Company will pay all expenses related to the registration of the Shares pursuant to the Registration Statement of which this Prospectus is a part (the "Registration Statement"). None of the Shares offered pursuant to this Prospectus have been registered prior to the filing of the Registration Statement.

Each Selling Stockholder and any broker executing selling orders on behalf of a Selling Stockholder may be deemed to be an "underwriter" within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), in which event commissions received by such broker may be deemed to be underwriting commissions under the Securities Act.

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The Common Stock of the Company is traded on the Nasdaq National Market and is quoted under the symbol "LSCC". On November 10, 1997, the last reported sale price of the Common Stock as reported by the Nasdaq National Market was \$51 3/4 per share.

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DATE OF THIS PROSPECTUS IS NOVEMBER , 1997.

No person is authorized to give any information or to make any representations, other than those contained in this Prospectus, in connection with the offering described herein, and, if given or made, such information or representations must not be relied upon as having been authorized by the Company or any Selling Stockholder. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, nor shall there be any sale of these securities by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Neither the delivery of this Prospectus nor any sale made hereunder shall under any circumstances create an implication that the information contained herein is correct as of any time subsequent to the date hereof.

The Company hereby undertakes to provide without charge to each person to whom a copy of this Prospectus is delivered, upon written or oral request of any such person, a copy of any and all of the information that has been or may be incorporated by reference in this Prospectus, other than exhibits to such documents. Requests for such copies should be directed to the Company's Chief Financial Officer at 5555 N.E. Moore Court, Hillsboro, Oregon 97124-6421. The Company's telephone number at that location is (503) 681-0118.

The Company is subject to the informational reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). Such reports, proxy statements and other information can be inspected and copied at the Public Reference Room of the SEC, Room 1024, 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549 and at the SEC's regional offices at Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, IL 60661 and Seven World Trade Center, 13th Floor, New York, NY 10048; and copies of such material can be obtained from the Public Reference Section of the SEC, Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. The Common Stock is traded on the Nasdaq National Market. The foregoing materials should also be available for inspection at the National Association of Securities Dealers, Inc., 9513 Key West Avenue, Rockville, MD 20850. The SEC maintains a World Wide Web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address of that site is <http://www.sec.gov>.

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This Prospectus contains information concerning Lattice Semiconductor Corporation and the sale of its Common Stock by the Selling Stockholders, but does not contain all the information set forth in the Registration Statement which the Company has filed with the SEC under the Securities Act. The Registration Statement, including various exhibits, may be inspected at the SEC's office in Washington, D.C.

## THE COMPANY

Lattice Semiconductor Corporation was incorporated in Oregon in 1983 and reincorporated in Delaware in 1985. Its principal executive offices are located at 5555 N.E. Moore Court, Hillsboro, Oregon 97124-6421, and its telephone number at that location is (503) 681-0118. The Common Stock of the Company is traded on the Nasdaq National Market and is quoted under the symbol "LSCC".

## DESCRIPTION OF WARRANTS

### GENERAL

The Shares offered by this Prospectus are issuable upon the exercise of the Bain Warrants issued pursuant to the Warrant to Purchase Shares of Common Stock. The Bain Warrants were approved by the Board of Directors of the Company on May 13, 1997. As of the date of this Prospectus, there are outstanding Bain Warrants to purchase an aggregate of 51,550 shares of the Company's Common Stock at an exercise price of \$55.00 per share. These outstanding Bain Warrants expire on May 13, 2002 and vest on a monthly schedule of 4,296 shares per month commencing March 1, 1997. Upon exercise of the Bain Warrants, the exercise price must be paid in cash, certified check or cashier's check.

### CANCELLATION OF THE WARRANTS

If Warrantholder should for any reason cease to serve as a consultant of the Company, the Bain Warrant shall be exercisable only as to those Shares which had vested on the date of notice of termination. If Warrantholder temporarily ceases to serve as a consultant to the Company, then the vesting shall end as of the date services cease and shall resume when services are re-engaged. Nothing in the Bain Warrant shall confer upon Warrantholder any right with respect to continuation of a consulting relationship with the Company, nor shall it interfere in any way with the Company's right to terminate Warrantholder as a consultant at any time.

### LIMITED TRANSFERABILITY OF THE WARRANTS

The Bain Warrant may not be transferred, sold or assigned without the prior written consent of the Company. Bain Warrants may be exercised only by Warrantholder or its permitted transferees. In addition, prior to the time this Registration Statement becomes effective with the SEC, the Shares acquired upon exercise of the Bain Warrant may not be transferred or sold without giving written notice to the Company of such sale.

### CHANGES IN CAPITALIZATION

The exercise price of the Bain Warrant and the number of shares of Common Stock issuable upon exercise of the Bain Warrant will be proportionately adjusted to reflect any stock split, stock dividend or like event affecting the Common Stock.

### MERGER, SALE OF ASSETS OR LIQUIDATION

In the event of the proposed dissolution or liquidation of the Company, or the proposed sale of substantially all of the assets of the Company, or the proposed merger of the Company with or into another corporation, Warrantholder shall have the right to receive the kind and amount of shares of stock or other property that Warrantholder would have received if Warrantholder had exercised the Bain Warrant prior to such liquidation, merger or sale. The Board may, in its sole discretion, provide a 30-day period immediately prior to the event in which Warrantholder shall have the right to exercise its Bain Warrant as to all or any part of the Shares, including Shares as to which the Bain Warrant would not otherwise be exercisable.

#### USE OF PROCEEDS

The proceeds received by the Company upon exercise of the Bain Warrants from time to time will be used for general working capital purposes.

#### PRICE RANGE OF COMMON STOCK

The following table sets forth the range of high and low sale prices of the Company's Common Stock for the indicated periods, as reported by the Nasdaq National Market. On November 10, 1997, the last reported sale price of the Common Stock on the Nasdaq National Market was \$51 3/4 per share. As of November 7, 1997, the Company had approximately 325 holders of record of the Common Stock. All prices have been restated to reflect a three-for-two stock split effected in the form of a stock dividend which was paid on July 6, 1993.

	HIGH	LOW
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Fiscal year ended March 30, 1996:		
First Quarter.....	\$ 37 1/8	\$ 23
Second Quarter.....	43	28 7/8
Third Quarter.....	42 1/8	27 5/8
Fourth Quarter.....	37 3/8	26 3/8
Fiscal year ended March 29, 1997:		
First Quarter.....	36 1/4	21 5/8
Second Quarter.....	31 1/2	19 3/4
Third Quarter.....	47	27 1/2
Fourth Quarter.....	54 7/8	39 3/4
Fiscal year ending March 28, 1998		
First Quarter.....	62 5/8	41 1/2
Second Quarter.....	74 1/2	54 7/8
Third Quarter (through November 10, 1997).....	67 1/2	45

#### DIVIDEND POLICY

To date the Company has not declared or paid cash dividends on its Common Stock. The Board of Directors of the Company presently intends to retain all earnings for use in the Company's business and therefore does not anticipate declaring or paying any cash dividends on its Common Stock in the foreseeable future.

#### PLAN OF DISTRIBUTION

Warrantholder may sell all or a portion of the Shares from time to time in the Nasdaq National Market at prices prevailing in the public market at the times of such sales. Warrantholder may also make private sales directly or through a broker or brokers, who may act as agent or as principal. In connection with any sales, Warrantholder and any brokers participating in such sales may be deemed to be underwriters within the meaning of the Securities Act. Any broker-dealer participating in such transactions as agent may receive commissions from Warrantholder (and from any purchaser of shares in such transaction). Usual and customary brokerage fees will be paid by Warrantholder.

There can be no assurances that Warrantholder will sell any or all of the Shares of Common Stock offered hereunder.

#### INFORMATION INCORPORATED BY REFERENCE

There are hereby incorporated by reference in this Prospectus the following documents and information heretofore filed with the SEC:

(a) The Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 27, 1997, filed pursuant to Section 13(a) or 15(d) of the Exchange Act.

(b) The Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 28, 1997, filed pursuant to Section 13(a) or 15(d) of the Exchange Act.

(c) The Company's Annual Report on Form 10-K for the fiscal year ended March 29, 1997, filed pursuant to Section 13(a) or 15(d) of the Exchange Act.

(d) The description of the Company's Common Stock which is contained in the Company's Registration Statement on Form 8-A filed with the SEC on September 27, 1989, pursuant to Section 12 of the Exchange Act, including any amendment or report filed for the purpose of updating any such description.

(e) The description of the preferred stock purchase rights of the Company contained in the Company's Registration Statement on Form 8-A filed with the SEC on September 13, 1991.

All documents subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act, prior to the filing of a post-effective amendment which indicates that all securities registered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this Registration Statement and to be part hereof from the date of filing of such documents.

#### EXPERTS

The consolidated financial statements incorporated in this Prospectus by reference to the Annual Report on Form 10-K of Lattice Semiconductor Corporation for the year ended March 29, 1997 have been so incorporated in reliance on the report of Price Waterhouse LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

#### LEGAL MATTERS

The validity of the issuance of the Common Stock offered hereby has been passed upon for the Company by Wilson Sonsini Goodrich & Rosati, Professional Corporation, Palo Alto, California.



PART II  
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

SEC registration fee.....	\$	859.17
Fees and expenses of counsel.....		7,500.00
Fees and expenses of accountants.....		1,500.00
Blue sky fees and expenses.....		1,500.00
Miscellaneous.....		300.00
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Total.....	\$	11,659.17
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Except for the SEC registration fee, all of the foregoing expenses have been estimated. All of the above expenses will be paid by the Registrant.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The Company's Certificate of Incorporation (the "Certificate") limits, to the maximum extent permitted by Delaware law, the personal liability of directors for monetary damages for their conduct as a director. The Company's Bylaws provide that the Company shall indemnify its officers and directors and may indemnify its employees and other agents to the fullest extent permitted by law.

Section 145 of the Delaware General Corporation Law ("Delaware Law") provides that a corporation may indemnify a director, officer, employee or agent made a party to an action by reason of the fact that he was a director, officer, employee or agent of the corporation or was serving at the request of the corporation against expenses actually and reasonably incurred by him in connection with such action if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the corporation and with respect to any criminal action, had no reasonable cause to believe his conduct was unlawful.

Delaware Law does not permit a corporation to eliminate a director's duty of care, and the provisions of the Certificate have no effect on the availability of equitable remedies such as injunction or rescission, based upon a director's breach of the duty of care. Insofar as indemnification for liabilities arising under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), may be permitted to foregoing provisions and agreements, the Registrant has been informed that in the opinion of the staff of the SEC such indemnification is against public policy as expressed in the Exchange Act and is therefore unenforceable.

ITEM 16. EXHIBITS.

EXHIBIT NUMBER	DESCRIPTION
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4.1	Form of Warrant to Purchase Shares of Common Stock dated May 13, 1997.
5.1	Opinion of Wilson Sonsini Goodrich & Rosati, Professional Corporation, Counsel to the Registrant.
24.1	Consent of Price Waterhouse LLP, Independent Public Accountants.
24.2	Consent of Wilson Sonsini Goodrich & Rosati, Professional Corporation, Counsel to the Registrant (included in Exhibit 5.1).
25.1	Power of attorney (see page II-3)

ITEM 17. UNDERTAKINGS.

(a) The Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement to include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933 (the "Securities Act"), each such post-effective amendment 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.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's Annual Report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the 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.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, 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.

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 Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Hillsboro, State of Oregon, on this 10th day of November 1997.

LATTICE SEMICONDUCTOR CORPORATION

By: /s/ CYRUS Y. TSUI  
 -----  
 Cyrus Y. Tsui  
 PRESIDENT, CHIEF EXECUTIVE OFFICER AND  
 CHAIRMAN OF THE BOARD

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Cyrus Y. Tsui and Stephen A. Skaggs, and each of them acting individually, as his or her attorney-in-fact, each with full power of substitution, for him or her in any and all capacities, to sign any and all amendments to this Registration Statement on Form S-3, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or any substitute, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
/s/ CYRUS Y. TSUI ----- Cyrus Y. Tsui	President, Chief Executive Officer (Principal Executive Officer) and Chairman of the Board of Directors	November 10, 1997
/s/ STEPHEN A. SKAGGS ----- Stephen A. Skaggs	Senior Vice President, Chief Financial Officer (Principal Financial Officer) and Secretary	November 10, 1997
/s/ MARK O. HATFIELD ----- Mark O. Hatfield	Director	November 10, 1997
/s/ DANIEL S. HAUER ----- Daniel S. Hauer	Director	November 10, 1997
/s/ HARRY A. MERLO ----- Harry A. Merlo	Director	November 10, 1997
/s/ LARRY W. SONSINI ----- Larry W. Sonsini	Director	November 10, 1997
/s/ DOUGLAS C. STRAIN ----- Douglas C. Strain	Director	November 10, 1997

LATTICE SEMICONDUCTOR CORPORATION  
REGISTRATION STATEMENT ON FORM S-3  
INDEX TO EXHIBITS

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24.2	Consent of Wilson Sonsini Goodrich & Rosati, Professional Corporation, Counsel to the Registrant (included in Exhibit 5.1).
25.1	Power of attorney (see page II-3).

THIS WARRANT HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. NO SALE OR DISPOSITION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL FOR THE HOLDER, SATISFACTORY TO THE COMPANY, THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE ACT OR RECEIPT OF A NO-ACTION LETTER FROM THE SECURITIES AND EXCHANGE COMMISSION.

Void after May 13, 2002

LATTICE SEMICONDUCTOR CORPORATION

FORM OF WARRANT TO PURCHASE SHARES OF COMMON STOCK

THIS CERTIFIES THAT, for value received, Bain & Company, Inc. is entitled to subscribe for and purchase shares of the fully paid and nonassessable Common Stock, \$.01 par value, of LATTICE SEMICONDUCTOR CORPORATION, subject to the provisions and upon the terms and conditions hereinafter set forth.

1. DEFINITIONS.

For the purposes of this Warrant, the following terms shall have the following meanings:

(a) ACT. "Act" means the Securities Act of 1933, as amended.

(b) COMMON STOCK. "Common Stock" means the fully paid and nonassessable Common Stock, \$.01 par value, of the Company.

(c) COMPANY. "Company" means Lattice Semiconductor Corporation, a Delaware corporation.

(d) DATE OF AGREEMENT. "Date of Agreement" means May 12, 1997.

(e) DATE OF GRANT. "Date of Grant" means May 13, 1997.

(f) SHARES. "Shares" means the shares of Common Stock subject to this Warrant, in the initial aggregate amount of 51,550, which amount is subject to adjustment pursuant to Section 5 hereof.

(g) VALUE AT EXERCISE. "Value at Exercise" means the weighted (by trading volume) average closing market price of the Company's Common Stock on the Nasdaq National Market (or, if the Common Stock should cease to be traded thereon, on such other exchange or public trading market on which the Common Stock may then become traded) over the twenty (20) trading days immediately preceding the date which is two trading days prior to the date this Warrant is surrendered.

(h) WARRANT. "Warrant" means this Warrant which entitles Bain & Company, Inc., subject to the provisions and upon the terms and conditions set forth herein, to purchase the Shares.

(i) WARRANT PRICE. "Warrant Price" means initially a price of \$55.00 ( Fifty-Five Dollars) per Share, which price is subject to adjustment pursuant to Section 5 hereof.

## 2. CONDITIONS TO EXERCISE.

(a) VESTING. Subject to subsection 2(b) below, the purchase right represented by this Warrant shall be exercisable, cumulatively, as to 4,296 shares subject to the Warrant per month commencing March 1, 1997, for the term of this Warrant.

(b) CONTINUED CONSULTING. In the event that Bain & Company, Inc. shall cease to serve as a consultant of the Company for any reason, the Warrant shall be exercisable only as to those Shares which had vested (as noted in subsection 2(a) above) by the date that the Company gives Bain & Company, Inc. notice of its termination as a consultant to the Company or the date that Bain & Company, Inc. gives the Company notice that it is ceasing to serve as a consultant to the Company, whichever is earlier. The vesting of this Warrant is earned by Bain & Company, Inc.'s continued service as a consultant. This Warrant does not constitute an express or implied promise of a continued consulting relationship for the vesting period or any other period.

If Bain & Company, Inc. temporarily ceases to serve as a consultant to the Company, then the vesting shall end as of the date services cease.

## 3. METHOD OF EXERCISE; PAYMENT; ISSUANCE OF NEW WARRANT.

(a) The holder hereof shall have the option to exercise this Warrant pursuant to the method set out in either subsection (i) or (ii) below.

(i) STANDARD METHOD. This Warrant may be exercised by the holder hereof, in whole or in part, by the surrender of this Warrant by written notice to the Company in form reasonably satisfactory to the Company at the principal office of the Company and by the payment to the Company, in cash or by certified or cashier's check, of an amount equal to the then applicable Warrant Price per share multiplied by the number of Shares then being purchased.

(ii) NET ISSUANCE METHOD. This Warrant may be exercised by the holder hereof, in whole or in part, by the surrender of this Warrant by written notice to the Company in form reasonably satisfactory to the Company at the principal office of the Company. Upon such surrender, the holder of this Warrant is entitled to receive such number of fully paid and nonassessable Shares as equals the product of (x) and (y) below, where (x) equals the quotient of (A) the Value at Exercise less the then applicable Warrant Price divided by (B) the Value at Exercise and (y) equals the number of Shares for which this Warrant is being exercised. If the result of the foregoing calculation results in a number equal to or less than zero, no Shares shall be delivered upon surrender of this Warrant.

(b) ISSUANCE OF NEW WARRANT. In the event of any exercise of the rights represented by this Warrant, certificates for the Shares issuable upon such exercise shall be delivered to the holder hereof within a reasonable time and, unless this Warrant has been fully exercised or expired, a new Warrant representing the portion of the Shares, if any, with respect to which this Warrant shall not then have been exercised shall also be issued to the holder hereof within such reasonable time. The holder hereof shall pay all transfer taxes, if any, arising from the exercise of this Warrant, and shall pay to the Company amounts necessary to satisfy any applicable federal, state and local withholding requirements.

#### 4. STOCK FULLY PAID; RESERVATION OF SHARES.

All Shares which may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be fully paid and nonassessable. During the period within which the rights represented by this Warrant may be exercised, the Company will, at all times, have authorized and reserved a sufficient number of shares of its Common Stock to provide for the exercise of the rights represented by this Warrant.

#### 5. ADJUSTMENT OF PURCHASE PRICE AND NUMBER OF SHARES.

The number of securities purchasable upon the exercise of this Warrant and the Warrant Price shall be subject to adjustment from time to time upon the occurrence of certain events, as follows:

(a) SUBDIVISION OR COMBINATION OF SHARES. If the Company at any time while this Warrant remains outstanding and unexpired shall subdivide or combine its Common Stock, the Warrant Price shall be proportionately decreased in the case of a subdivision or increased in the case of a combination.

(b) In case of any reclassification or change of outstanding shares of Common Stock, or in case of any consolidation of the Company with or merger of the Company with or merger of the Company into another corporation (other than a merger whose sole purpose is to change the state of incorporation of the Company or a consolidation or merger in which the Company is the continuing corporation and which does not result in any reclassification or change of outstanding shares of Common Stock), or in the case of any sale or conveyance to another corporation of the property of the Company as an entirety or substantially as an entirety, the holder hereof shall have the right

thereafter without payment of additional consideration, upon exercise of its rights hereunder, to receive the kind and amount of shares of stock and other securities and property that the holder hereof would have received, upon such reclassification, change, consolidation, merger, sale or conveyance, with respect to the number of shares of Common Stock issuable upon such exercise, if such exercise had occurred immediately prior to such reclassification, change, consolidation, merger, sale or conveyance. Alternatively, the Board of Directors of the Company, may, in its sole discretion, provide a 30-day period immediately prior to such event in which the holder shall have the right to exercise the Warrant in whole or in part without regard to limitations on vesting. It shall be a condition to the effectiveness of any such transaction that one of the foregoing provisions for the benefit of this Warrant shall be lawfully and adequately provided for.

(c) STOCK DIVIDENDS. If the Company at any time while this Warrant is outstanding and unexpired shall pay a dividend with respect to Common Stock payable in Common Stock, then the Warrant Price shall be adjusted, from and after the date of determination of stockholders entitled to receive such dividend, to that price determined by multiplying the Warrant Price in effect immediately prior to such date of determination by a fraction (i) the numerator of which shall be the total number of shares of Common Stock outstanding immediately prior to such dividend, and (ii) the denominator of which shall be the total number of shares of Common Stock outstanding immediately after such dividend.

(d) ADJUSTMENT OF NUMBER OF SHARES. Upon each adjustment in the Warrant Price, the number of Shares shall be adjusted, to the nearest whole share, to the product obtained by multiplying the number of Shares immediately prior to such adjustment in the Warrant Price by a fraction, the numerator of which shall be the Warrant Price immediately prior to such adjustment and the denominator of which shall be the Warrant Price immediately thereafter.

#### 6. NOTICE OF ADJUSTMENTS.

Whenever any Warrant Price shall be adjusted pursuant to Section 5 hereof, the Company shall make a certificate signed by its chief financial officer setting forth, in reasonable detail, the event requiring the adjustment, the amount of the adjustment, the method by which such adjustment was calculated, and the Warrant Price after giving effect to such adjustment, and the Company shall cause copies of such certificate to be mailed (by first class mail, postage prepaid) to the holder of this Warrant.

#### 7. FRACTIONAL SHARES.

No fractional shares of Common Stock will be issued in connection with any exercise hereunder, but in lieu of such fractional shares the Company shall make a cash payment therefor upon the basis of the Value at Exercise then in effect.

#### 8. COMPLIANCE WITH THE ACT; NON-TRANSFERABILITY OF WARRANT; DISPOSITION OF SHARES.



(a) COMPLIANCE WITH THE ACT. The holder of this Warrant, by acceptance hereof, agrees that this Warrant and the Shares to be issued upon exercise hereof (unless issued pursuant to an effective registration statement) are being acquired for investment and that such holder will not offer, sell or otherwise dispose of this Warrant or any Shares to be issued upon exercise hereof except under the circumstances which will not result in a violation of the Act. Upon exercise of this Warrant, unless exercised pursuant to an effective registration statement covering the issuance of the Shares issuable upon exercise hereof, the holder hereof shall, if requested by the Company, confirm in writing, in a form satisfactory to the Company, that the Shares so issued are being acquired for investment and not with a view toward distribution or resale, that the holder is an "accredited investor", as that term is defined in Section 2(15) of the Act, and that the holder has received such information concerning the Company and has had an opportunity to make inquiry as to the Company so as to allow the holder to make an informed investment decision to exercise this Warrant. This Warrant and all Shares issued upon exercise of this Warrant (unless issued pursuant to an effective registration statement) shall be stamped or imprinted with a legend in substantially the following form:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. NO SALE OR DISPOSITION MAY BE EFFECTED WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMPANY AND WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL FOR THE HOLDER, SATISFACTORY TO THE COMPANY, THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE ACT OR RECEIPT OF A NO-ACTION LETTER FROM THE SECURITIES AND EXCHANGE COMMISSION."

(b) NON-TRANSFERABILITY OF WARRANT. This Warrant may not be sold, transferred or assigned without the prior written consent of the Company and, if required, any governmental authority.

(c) DISPOSITION OF SHARES. This Section 8(c) shall apply to Shares issued upon exercise of this Warrant, unless such Shares are issued pursuant to an effective registration statement.

With respect to any offer, sale or other disposition of any Shares acquired pursuant to the exercise of this Warrant prior to registration of such Shares, the holder hereof and each subsequent holder of this Warrant agrees to give written notice to the Company prior thereto, describing briefly the manner thereof, together with a written opinion of such holder's counsel, if requested by the Company, to the effect that such offer, sale or other disposition may be effected without registration or qualification (under the Act as then in effect or any federal or state law then in effect) of such Shares and indicating whether or not under the Act certificates for such Shares to be sold or otherwise disposed of require any restrictive legend as to applicable restrictions on transferability in order to ensure compliance with the Act. Promptly upon receiving such written notice and reasonably satisfactory opinion, if so requested, the Company shall notify such holder that such holder may sell or otherwise dispose of such Shares in accordance with the terms of the notice delivered to the Company. If the opinion of counsel for the holder is not reasonably satisfactory to the Company,

the Company shall promptly notify the holder. Notwithstanding the foregoing paragraph, such Shares may be offered, sold or otherwise disposed of in accordance with Rule 144 under the Act, provided that the Company shall have been furnished with such information as the Company may request to provide a reasonable assurance that the provisions of Rule 144 have been satisfied.

Each certificate representing the Shares thus transferred (except a transfer pursuant to Rule 144) shall bear a legend as to the applicable restrictions on transferability in order to ensure compliance with the Act, unless in the aforesaid opinion of counsel for the holder, such legend is not required in order to ensure compliance with the Act. The Company may issue stop transfer instructions to its transfer agent in connection with such restrictions.

9. NO RIGHTS OF STOCKHOLDERS.

No holder of this Warrant shall be entitled to vote or receive dividends or be deemed the holder of Common Stock, nor shall anything contained herein be construed to confer upon the holder of this Warrant, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of stock, reclassification of stock, change of par value or change of stock to no par value, consolidation, merger, conveyance, or otherwise) or to receive notice of meetings, or to receive dividends or subscription rights or otherwise.

10. EXPIRATION OF WARRANT.

This Warrant shall expire and shall no longer be exercisable upon the occurrence of 5:00 p.m., Pacific Standard Time, on May 13, 2002.

LATTICE SEMICONDUCTOR CORPORATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date of Grant: May 13, 1997

November 12, 1997

Lattice Semiconductor Corporation  
5555 N.E. Moore Court  
Hillsboro, Oregon 97124-6421

RE: REGISTRATION STATEMENT ON FORM S-3

Ladies and Gentlemen:

We have examined the Registration Statement on Form S-3 to be filed by you with the Securities and Exchange Commission on or about November 12, 1997 (the "Registration Statement") in connection with the registration under the Securities Act of 1933, as amended (the "Act"), of an aggregate of 51,550 shares (the "Shares") of your Common Stock which are issuable upon exercise of that certain Warrant to be issued to Bain & Company, Inc. (the "Bain Warrant"). As your counsel in connection with this transaction, we have examined the proceedings taken and are familiar with the proceedings proposed to be taken by you in connection with the issuance and sale of the Shares pursuant to the Bain Warrant.

It is our opinion that, upon completion of the actions being taken, or contemplated by us as your counsel to be taken by you prior to the issuance of the Shares pursuant to the Registration Statement and the Bain Warrant, and upon completion of the actions being taken in order to permit such transactions to be carried out in accordance with the securities laws of the various states where required, the Shares will be legally and validly issued, fully-paid and non-assessable.

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 and any amendments thereto.

Very truly yours,

WILSON SONSINI GOODRICH & ROSATI  
Professional Corporation

/s/ WILSON SONSINI GOODRICH & ROSATI, P.C.

## CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectus constituting part of this Registration Statement on Form S-3 of our report dated April 16, 1997, which appears on page 28 of the 1997 Annual Report to Shareholders of Lattice Semiconductor Corporation, which is incorporated by reference in the Lattice Semiconductor Corporation Annual Report on Form 10-K for the year ended March 29, 1997. We also consent to the incorporation by reference of our report on the Financial Statement Schedule which appears on page S-1 of such Annual Report on Form 10-K. We also consent to the reference to us under the heading "Experts" in such Prospectus.

/s/ PRICE WATERHOUSE LLP  
PRICE WATERHOUSE LLP

Portland, Oregon  
November 12, 1997