

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

July 21 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 July 21, 2003.
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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 July 21 2003, Lattice Semiconductor Corporation (the "Company") issued a press release announcing the Company's earnings for the fiscal quarter ended June 28, 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
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99.1 Press Release of Lattice Semiconductor Corporation, dated July 21,
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: July 21, 2003

By: /s/ Stephen A. Skaggs

Name: STEPHEN A. SKAGGS
Title: Chief Financial Officer

Lattice Semiconductor Reports Second Quarter Results

HILLSBORO, Ore.--(BUSINESS WIRE)--July 21, 2003--Lattice Semiconductor Corporation (NASDAQ:LSCC) today announced financial results for the second quarter of 2003.

Revenue for the quarter was \$58.2 million, flat with last quarter's revenue and an increase of three percent from the \$56.5 million reported in the same quarter a year ago. Quarterly revenue from high density CPLD products was \$40.3 million, down one percent from last quarter while quarterly revenue from FPGA products was \$9.0 million, an increase of seven percent from last quarter.

On a GAAP basis, net loss for the quarter was \$16.9 million (\$0.15 per share). This loss includes an \$18.7 million charge for amortization of intangible assets.

Non-GAAP income for the quarter was \$1.8 million (\$0.02 per share). Non-GAAP earnings exclude non-cash acquisition related amortization expenses and more closely approximates our cash earnings performance. A reconciliation of non-GAAP to GAAP earnings accompanies the financial tables in this earnings release.

"We remain pleased with the progress of our new product initiatives," stated Cyrus Y. Tsui, chairman and chief executive officer. "Since 2002, we have brought to market five major new product families: our advanced field programmable system chips (FPSC), our technologically differentiated ispXP(TM) products, our innovative ispPAC(R) PWR devices, our low power ispMACH(R) 4000Z CPLDs and our third generation BFW III CPLDs. While the collective revenue of these new products is still relatively small, it grew very rapidly on a sequential basis. In addition, these new products accounted for well over a third of our customer design activity last quarter. We believe this positive customer reception will drive continued growth for these products."

"Last quarter, we introduced our sixth new product family, the XPIO(TM) 110GXS," continued Tsui. "The XPIO is the industry's lowest power 10 gigabit per second CMOS transceiver and further solidifies our leadership position in the SERDES marketplace. We are committed to embedding this innovative technology into future generations of advanced FPSC and FPGA products," Tsui concluded.

Business Outlook - September 2003 Quarter

- We believe that, due to seasonality and general industry conditions, third quarter revenues will be between \$52 million and \$55 million.
- Gross margins are expected to remain at approximately 60% of revenue.
- Total operating expenses are expected to decrease by approximately \$1 million to \$2 million on a sequential basis.
- In conjunction with the previously announced retirement of our 4 3/4 percent convertible notes, we will incur a one-time charge of approximately \$5.7 million for the call premium and accelerated write-off of remaining unamortized issuance costs related to these notes. Total Other Expense, including this non-recurring charge, is expected to be approximately \$5.6 million.
- Finally, we anticipate reporting a tax credit of \$3 million to \$4 million.

On July 22, 2003, Lattice will hold a telephone conference call at 5:30 am (Pacific Time) with financial analysts and publish a "Business Outlook Statement" covering the September 2003 quarter. Investors may listen to our conference call via the web at www.on24.com. Both the conference call and our business outlook statement will be available on our website, www.lsc.com through July 28, 2003. On September 11, 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 September 2003 quarter, Lattice plans to participate in investor conferences sponsored by Soundview and Bank of America Securities. Specific presentation dates and times are posted on our website at 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, 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 Field Programmable Gate Arrays (FPGAs) and Field Programmable System Chips (FPSCs) and high-performance ISP(TM) programmable logic devices (PLDs).

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.

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			Six months ended	
	June 30, 2003	Mar. 31, 2003	June 30, 2002	June 30, 2003	June 30, 2002
Revenue	\$58,178	\$58,311	\$56,466	\$116,489	\$115,344
Costs and expenses:					
Costs of products sold	23,289	23,208	22,492	46,497	46,098
Research and development	21,702	21,832	21,078	43,534	42,463
Selling, general and administrative	12,614	12,483	12,220	25,097	24,078
In-process research and development (1)	--	--	--	--	24,200
Amortization of intangible assets (2)(3)	18,687	21,114	17,923	39,801	36,546
Total costs and expenses	76,292	78,637	73,713	154,929	173,385
Loss from operations	(18,114)	(20,326)	(17,247)	(38,440)	(58,041)
Other (expense) income, net	(1,365)	1,491	3,078	126	1,177
Loss before benefit for income taxes	(19,479)	(18,835)	(14,169)	(38,314)	(56,864)
Benefit for income taxes	(2,554)	--	(6,022)	(2,554)	(23,100)
Net loss	===== (\$16,925)	===== (\$18,835)	===== (\$8,147)	===== (\$35,760)	===== (\$33,764)
Basic net loss per share	===== (\$0.15)	===== (\$0.17)	===== (\$0.07)	===== (\$0.32)	===== (\$0.31)
Diluted net loss per share	===== (\$0.15)	===== (\$0.17)	===== (\$0.07)	===== (\$0.32)	===== (\$0.31)

=====					
Shares used in per share calculations:					
Basic	111,507	111,390	109,684	111,473	109,619
	=====	=====	=====	=====	=====
Diluted (4)	111,507	111,390	109,684	111,473	109,619
	=====	=====	=====	=====	=====

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 \$120.3 million, net, at June 30, 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 \$0.8 million, \$3.3 million and \$0.6 million of deferred stock compensation expense for the quarters ended June 30, 2003, March 31, 2003 and June 30, 2002, respectively, and \$4.1 million and \$1.1 million of deferred stock compensation expense for the six months ended June 30, 2003 and June 30, 2002, respectively, attributable to Research and Development activities.
- (4) 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	June 30, 2003	Dec. 31, 2002

Assets		
Current assets:		
Cash and short-term investments	\$470,178	\$276,880
Accounts receivable, net	28,372	26,374
Inventories	48,283	56,241
Other current assets	11,476	35,033
	-----	-----
Total current assets	558,309	394,528
Property and equipment, net	58,978	62,786
Foundry investments, advances and other assets	108,574	104,507
Goodwill and other intangible assets, net (1)	343,909	379,442
	-----	-----
	\$1,069,770	\$941,263
	=====	=====
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and other accrued liabilities	\$31,238	\$33,597
Deferred income on sales to distributors	8,763	11,983
Income taxes payable	--	142
	-----	-----
Total current liabilities	40,001	45,722
4 3/4% Convertible notes due in 2006	172,304	208,061
Zero Coupon Convertible notes due in 2010	200,000	--
Other long-term liabilities	25,704	26,345
	-----	-----
	398,008	234,406
Stockholders' equity	631,761	661,135
	-----	-----
	\$1,069,770	\$941,263
	=====	=====

Note:

(1) At June 30, 2003, includes approximately \$10.4 million of other intangible assets, net, recorded in the September 2002 quarter in connection with the August 26, 2002 acquisition of Cerdenix Technologies, Inc. Also includes \$142.5 million in Goodwill and \$61.1 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 \$48.8 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			Six months ended	
	June 30, 2003	Mar. 31, 2003	June 30, 2002	June 30, 2003	June 30, 2002
Revenue	\$58,178	\$58,311	\$56,466	\$116,489	\$115,344
Costs and expenses:					
Costs of products sold	23,289	23,208	22,492	46,497	46,098
Research and development	21,702	21,832	21,078	43,534	42,463
Selling, general and administrative	12,614	12,483	12,220	25,097	24,078
Total costs and expenses	57,605	57,523	55,790	115,128	112,639
Income from operations	573	788	676	1,361	2,705
Other (expense) income, net	(1,365)	1,491	3,078	126	1,177
Income before (benefit) provision for income taxes	(792)	2,279	3,754	1,487	3,882
(Benefit) provision for income taxes	(2,554)	--	976	(2,554)	1,009
Tax shield (2)	--	--	4,250	--	8,173
Non-GAAP earnings	\$1,762	\$2,279	\$7,028	\$4,041	\$11,046
Diluted Non-GAAP earnings per share (3)	\$0.02	\$0.02	\$0.06	\$0.04	\$0.10
Shares used in calculations	113,405	113,098	110,991	113,268	111,978

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			Six months ended	
	June 30, 2003	Mar. 31, 2003	June 30, 2002	June 30, 2003	June 30, 2002
Net loss	(\$0.15)	(\$0.17)	(\$0.07)	(\$0.32)	(\$0.31)
Add:					
Amortization of intangible assets	\$0.17	\$0.19	\$0.09	\$0.36	\$0.20
In-process research and development (2)	--	--	--	--	\$0.13
Tax shield (3)	--	--	\$0.04	--	\$0.07
Difference in effective tax rate (4)	--	--	--	--	\$0.01
Non-GAAP earnings	\$0.02	\$0.02	\$0.06	\$0.04	\$0.10

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) 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.
- (4) The effective tax rate is the ratio of income tax expense to pretax income. The rate for the six months ended June 30, 2002 presented in the non-GAAP information presentation is different from the rates in the Statement of Operations, due to the difference in the proportion of taxable income derived from operations.

Appendix 3

LATTICE SEMICONDUCTOR CORPORATION
- Supplemental Historic Financial Information -
(Q2 2003)

Operations Information	Q203	Q103	Q202

Percent of Revenue			
Gross Margin	60.0%	60.2%	60.2%
R&D Expense	37.3%	37.4%	37.3%
SG&A Expense	21.7%	21.4%	21.6%
Operating (Loss) Income	-31.1%	-34.9%	-30.5%
Operating Income (Non-GAAP)	1.0%	1.4%	1.2%
Depreciation Expense (\$000)	4,603	4,742	4,780
Capital Expenditures (\$000)	2,504	3,211	5,626
Balance Sheet Information	Q203	Q103	Q202

Current Ratio	14.0	7.4	8.2
A/R Days Revenue Outstanding	45	48	46
Inventory Months	6.2	6.7	8.5
Revenue % (by Product Family)	Q203	Q103	Q202

FPGA	16%	14%	13%
CPLD	69%	70%	68%
SPLD	15%	16%	19%
Revenue % (by Geography)	Q203	Q103	Q202

Americas	45%	41%	47%
Europe (incl. Africa)	24%	29%	23%
Asia (incl. ROW)	31%	30%	30%
Revenue % (by End Market)	Q203	Q103	Q202

Communications	52%	44%	55%
Computing	21%	21%	23%
Other	27%	35%	22%

Revenue % (by Channel)	Q203	Q103	Q202
	-----	-----	-----
Direct	52%	54%	52%
Distribution	48%	46%	48%

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