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## Lattice Semiconductor Q4 2006 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

Thank you. Today's question-and-answer session will be conducted electronically. (Operator Instructions). Let's go to Mark Edelstone for our first question.

#### Mark Edelstone - Morgan Stanley

Hey guys, [alls well]. I guess the first question I had, it sounds like Steve you're going to may be reclassified some of the products going forward, and just want to get a sense of what you will consider that the true legacy product for the company. What percentage of revenues do that make up today, is that more than what you just articulated as 32% in the mature category?

#### Steve Skaggs

No, I think the mature category is probably fine. We will look at reclassifying products mostly Mark in the first quarter and again we'll provide comparable data, so you can look back a year in time, is in the Mainstream and new product, and specifically looking at our first generation FPGAs which were now four years old moving those into the mainstream sector and that would be FPSC products and the first generation XPLD products, so those are products on a 180-nanometers and 160-nanometers. So that's what we'll be looking at. In terms of new product outside of that so we'll be focusing on obviously all the new FPGAs, the new XO product which was classified as a CPLD in the mixed signal products, we would expect those to be somewhere around the 10% level of revenue in the first quarter, but obviously we'll report on that at that time.

#### Mark Edelstone - Morgan Stanley

Okay, very good. And, I guess when you just take a look at all of 2007, given the fact that you are going to start up here in a little bit of a whole. What do you think the prospects are for growth? Do you think the company actually can grow year-over-year that will take some decency across the comparables to get you there?

#### Steve Skaggs

Yeah, I believe we can grow in 2007 and we plan to grow. I think you are right -- as I said during 2006 industry grew 13%, that really started strong and ended weak for everyone. 2007 will clearly start weak. Given our outlook and our largest competitors are you reported and has a down outlook, and we'll need it to finish stronger, but nonetheless I think that actually we are looking at kind of a lower growth year for the industry given those dynamics, but clearly our expectation. And we believe we

have the product position to continue what we did this year which was to outgrow the industry. So, we do believe that we can grow faster than the industry and report positive growth in the current year.

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