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## Lattice Semiconductor Corporation Q3 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### **Operator**

(Operator instructions) Our first question is from the line of James Schneider with Goldman Sachs. Please go ahead with your question.

#### **James Schneider – Goldman Sachs**

Good afternoon and thanks for taking my question. First of all could you address your Q4 revenue outlook in terms of the relative strength or weakness of your various end markets, please?

#### **Bruno Guilmart**

Well, in terms of strengths and weaknesses, we are seeing – let me just address it first maybe by geographies. We are seeing continuous weakness in the American distribution channel. We are also seeing some weakness in the European distribution channel. Asia continued to be, I would say, pretty much flattish versus where it was in the third quarter. And it I think that overall, we will see a very similar mix that we've had in the third quarter, we would see a different mix – a very similar mix in the fourth quarter than the one we had in the third quarter.

#### **James Schneider – Goldman Sachs**

But in terms of the end markets, which ones do you think would be the strongest or the weakest?

#### **Bruno Guilmart**

At this stage, I would say that communication continues to be relatively strong. The consumer markets will also continue to be relatively strong for us. So, we are not really seeing, I would say, specific weaknesses on a specific market segment, but as a more broad based weakness due to our weaknesses in the American and Europe distribution channels, which usually sell more of the mainstream and mature products.

#### **James Schneider – Goldman Sachs**

I understand. And I think your industrial segment had one of the larger declines in Q3. Is that due to a rollout just in terms of broad based distribution or is there something specific in your mainstream and mature products where those customers were end of lifeing their products or their usage of your products.

#### **Bruno Guilmart**

I think that is just – again, these products tend to be the mature and mainstream products, and I think we are just generally seeing some weaknesses in these markets, okay?

**James Schneider – Goldman Sachs**

I see. And then last one from me would be, if things worsen materially from here in terms of the revenue run rate, given the macro circumstances, do you feel there are additional leverage you can pull from an OpEx perspective to further reduce OpEx or do you think that you are pretty much running at the bare bones levels now given that the restructuring that just occurred?

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