

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

## Lattice Semiconductor Corporation The Wall Street Analyst Forum Call Transcript

### Question-and-Answer Session

---

#### Unidentified Analyst

How do you see your markets – your primary markets change in three to five years, and how would you get (inaudible)?

#### Robert O'Brien

The end markets – so if you look at the –

#### Unidentified Speaker

Can I ask you to (inaudible) webcast –? If you don't mind repeating your question if that's for the webcast?

#### Robert O'Brien

Okay. The question was, how do you see the end markets changing in the next three to five years. So if we look at the overall logic semiconductor trend, there are really three main areas. There is the ASIC piece of the business. The ASIC piece of the business stands for basically application-specific custom semiconductor products, which typically are developed for specific applications by specific customers. The real work [ph] is that you have to pay upfront very large NREs, non-recurring engineering charges, unless they can be quite high. They can be \$20 million, \$30 million, \$40 million upfront. They offer you the ultimate customization because you can really (inaudible) your specific application and that's about \$20 billion a ton or so.

The next, I would say, market as we look at ASSPs, which are standard products customized to some application, which (inaudible) obviously you would only have to some level do comprise because they are developed by large companies to address specific applications within specific market segments. And then the programmable logic gives you – it gives you the smaller tons, about \$3.8 billion or so ton. It gives you the flexibility, but typically at a higher price. So what we are seeing is that because of the non-recurring engineering charges in the ASIC markets becoming higher and higher, we see an opportunity for the programmable logic to grow and take portion of this space as well as if we get to the right price point also penetrate some more application-specific opportunities, which is what I was talking about in my presentation, instead of having a very generic product, try to be and target more specific market segments by having products that are dedicated to vertical market solutions revolution that we are seeing in the marketplace. And we believe that pretty sure [ph] the programmable logic space was very communication intensive. And we are seeing now a shift towards more communications. It's a very important market segment for us. But we are seeing

more, obviously, demand and traction into areas such as computing and also consumer – higher hand consumer like displays and so on. Okay? So this is what the dynamics I would say that we are seeing for – which is going to be reinforced in next three to five years. Yes?

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.