

LATTICE SEMICONDUCTOR CORP
Form 10-Q/A
April 19, 2004

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q/A

Amendment No. 1

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**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2003

OR

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**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 000-18032

LATTICE SEMICONDUCTOR CORPORATION

(Exact name of Registrant as specified in its charter)

State of Delaware
(State or other jurisdiction
of incorporation or organization)

93-0835214
(I.R.S. Employer
Identification No.)

5555 N.E. Moore Court, Hillsboro, Oregon
(Address of principal executive offices)

97124-6421
(Zip Code)

(503) 268-8000
(Registrant's telephone number, including area code)

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Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes No

At March 31, 2003, there were 112,490,414 shares of the Registrant's common stock, \$.01 par value, outstanding.

This Quarterly Report on Form 10-Q/A amends the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2003, as filed by the Registrant on May 12, 2003, and is being filed to reflect the restatement of the Registrant's Condensed Consolidated Financial Statements (the Restatement). The Restatement reflects adjustments to revenue, related costs of products sold and deferred income pertaining to both a correction of an error and a change in estimate to deferred income as of March 31, 2003. A discussion of this Restatement and a summary of the effects of the Restatement are presented in Note 14 to the Condensed Consolidated Financial Statements. Changes have been made to the disclosure in Items 1, 2 and 4 of this Form 10-Q/A in connection with the Restatement.

The information contained in this Form 10-Q/A is as of May 12, 2003, except for the information related to the Restatement discussed above, which has been updated through April 19, 2004. This Form 10-Q/A should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2003.

LATTICE SEMICONDUCTOR CORPORATION

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

LATTICE SEMICONDUCTOR CORPORATION

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(In thousands, except per share data)

(unaudited)

	Three Months Ended	
	March 31, 2003	March 31, 2002
	(Restated)	
Revenue	\$ 57,297	\$ 58,878
Costs and expenses:		
Cost of products sold	23,028	23,606
Research and development	21,832	21,385
Selling, general and administrative	12,483	11,858
In-process research and development		24,200
Amortization of intangible assets (1)	21,114	18,623
Total costs and expenses	78,457	99,672
Loss from operations	(21,160)	(40,794)
Other income (loss), net	1,491	(1,901)
Loss before benefit for income taxes	(19,669)	(42,695)
Benefit for income taxes		(17,078)
Net loss	\$ (19,669)	\$ (25,617)
Basic net loss per share	\$ (0.18)	\$ (0.23)
Diluted net loss per share	\$ (0.18)	\$ (0.23)

Shares used in per share calculations:

Basic	111,390	109,558
Diluted	111,390	109,558

(1) Includes \$3,270 and \$561 of amortization of deferred stock compensation expense for the three months ended March 31, 2003 and March 31, 2002, respectively, attributable to Research and Development activities.

See Accompanying Notes to Condensed Consolidated Financial Statements

LATTICE SEMICONDUCTOR CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEET

(In thousands, except share and par value data)

(unaudited)

	March 31, 2003 (Restated)	December 31, 2002
Assets		
Current assets:		
Cash and cash equivalents	\$ 34,054	\$ 169,475
Short-term investments	218,793	107,405
Accounts receivable, net	30,651	26,374
Inventories	51,876	56,241
Other current assets	34,748	35,033
Total current assets	370,122	394,528
Property and equipment, net	61,284	62,786
Foundry investments, advances and other assets	100,059	104,507
Intangible assets, net	138,149	155,953
Goodwill	223,605	223,489
	\$ 893,219	\$ 941,263
Liabilities and Stockholders Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 37,170	\$ 33,597
Deferred income on sales to distributors	13,936	11,983
Income taxes payable		142
Total current liabilities	51,106	45,722