


Reconciliation of Non-GAAP Financial Measure

On April 26, 2010, we held a publicly webcast conference call with analysts to discuss our first-quarter earnings. The table below provides a reconciliation of a non-GAAP item, which was discussed during the conference call, to our first-quarter results prepared in accordance with GAAP. The non-GAAP financial measure was an estimate of operating expenses as a percent of revenue excluding our wireless baseband operations. We provided this information to give investors additional insight into our underlying business conditions, results and expectations.

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES

(Millions of dollars)

	For the Three Months Ended March 31, 2010
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Revenue	\$ 3,205
Research & development (R&D)	370
Selling, general & administrative (SG&A)	359
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Total operating expenses	\$ 729
Total operating expenses % of revenue as reported	23%
Revenue	\$ 3,205
Baseband revenue	424
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Revenue less baseband	\$ 2,781

Research & development (R&D)		370
Selling, general & administrative (SG&A)		359
		
Total operating expenses	\$	729
Total operating expenses % of revenue less baseband		26%