

# Reconciliation of Non-GAAP Financial Measure

## Texas Instruments Incorporated Reconciliation of Non-GAAP Financial Measures

On April 23, 2012, we held a publicly webcast conference call with analysts to discuss our first-quarter 2012 earnings. During the call we made the non-GAAP references detailed below. We provided these non-GAAP measures to give investors additional insight into TI's underlying business conditions and results without the impact of some quarter-specific items.

### Sequential revenue growth outlook

We made two non-GAAP references to our first-quarter 2012 revenue without the insurance proceeds of about \$65 million related to the 2011 Japan earthquake. Both references involved a comparison of our second-quarter 2012 outlook on revenue growth to our first-quarter 2012 results without the benefit of the insurance proceeds. The table below provides a reconciliation of the non-GAAP item to our first-quarter results prepared in accordance with GAAP.

### TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES (Millions of dollars)

	<b>For Three Months Ended March 31, 2012</b>
Revenue as reported (GAAP)	\$ 3,121
Adjustment for insurance proceeds	(65)
Revenue as adjusted (Non-GAAP)	3,056

<u>Revenue outlook as provided</u>	<b>For Three Months Ended June 30, 2012</b>	<b>Sequential Revenue Growth</b>
Low-point of range	\$ 3,220	5%
Mid-point of range	3,350	10%
High-point of range	3,480	14%

Gross margin

We referred to our first-quarter 2012 gross profit margin without the insurance proceeds of about \$65 million related to the 2011 Japan earthquake. The table below provides a reconciliation of this non-GAAP item to our first-quarter results prepared in accordance with GAAP.

**TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES**  
(Millions of dollars)

**For Three Months Ended  
March 31, 2012**

	<b>TI as Reported (GAAP)</b>	<b>Adjustments</b>	<b>TI as Adjusted (Non-GAAP)</b>
Revenue	\$ 3,121	(65)	\$ 3,056
Cost of revenue	1,590	--	1,590
Gross profit	1,531	(65)	1,466
Gross margin	49.0%		48.0%