

of special charges and amortization of acquisition-related intangibles as a result of lower revenue.

- Non-operating income will decline to about \$20 million due to reduced interest income.
- Earnings per share will decline to a loss of a few cents before the effect of special charges and amortization of acquisition-related intangibles.

For 2001, TI expects the following:

- R&D of \$1.6 billion, excluding acquisition-related amortization and purchased in-process R&D, unchanged from the company's prior estimate and even with last year.
- Capital expenditures of \$1.8 billion, unchanged from the prior estimate and down 35 percent from last year.
- Depreciation of \$1.6 billion, up 30 percent from last year.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: The statements contained in this report on Form 8-K are "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those in forward-looking statements.

We urge you to carefully consider the following important factors that could cause actual results to differ materially from the expectations of the company or its management:

- Market demand for semiconductors, particularly for digital signal processors and analog chips in key markets, such as telecommunications and computers;
- TI's ability to develop, manufacture and market innovative products in a rapidly changing technological environment;
- TI's ability to compete in products and prices in an intensely competitive industry;
- TI's ability to maintain and enforce a strong intellectual property portfolio and obtain needed licenses from third parties;
- Timely completion and successful integration of announced acquisitions;
- Global economic, social and political conditions in the countries in which TI and its customers and suppliers operate, including fluctuations in foreign currency exchange rates;
- Losses or curtailments of purchases from key customers;
- TI's ability to recruit and retain skilled personnel; and
- Availability of raw materials and critical manufacturing equipment.

For a more detailed discussion of these and other factors, see the text under the heading "Cautionary Statements Regarding Future Results of Operations" in Item 1 of TI's most recent Form 10-K. The forward-looking statements included in this Form 8-K are made only as of the date of this Form 8-K and TI undertakes no obligation to update the forward-looking statements to reflect subsequent events or circumstances.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TEXAS INSTRUMENTS INCORPORATED

Date: August 13, 2001

By: /s/ WILLIAM A. AYLESWORTH

William A. Aylesworth
Senior Vice President,
Treasurer and
Chief Financial Officer

