

**Texas Instruments Incorporated**  
**Free Cash Flow (Non-GAAP Reconciliation)**  
(Millions of dollars)  
**Calculated as of September 30, 2018**

**Free cash flow and associated ratios**

Free cash flow was calculated by subtracting Capital expenditures from Cash flows from operating activities (also referred to as cash flow from operations). The table below provides a reconciliation of free cash flow to the most directly comparable GAAP measure.

	<b>For Three Months Ended September 30, 2018</b>	<b>For 12 Months Ended September 30,</b>		<b>Change</b>
		<b>2018</b>	<b>2017</b>	
Cash flow from operations (GAAP) .....	\$ 2,106	\$ 6,973	\$ 4,821	45%
Capital expenditures .....	(370)	(1,039)	(574)	
Free cash flow (non-GAAP) .....	<u>\$ 1,736</u>	<u>\$ 5,934</u>	<u>\$ 4,247</u>	40%
Revenue .....		<u>\$ 15,817</u>	<u>\$ 14,625</u>	
Cash flow from operations as a percent of revenue (GAAP) .....		44.1%	33.0%	
Free cash flow as a percent of revenue (non-GAAP) .....		37.5%	29.0%	