

**Texas Instruments Incorporated**  
**Free Cash Flow (Non-GAAP Reconciliation)**  
(Millions of dollars)  
**Calculated as of June 30, 2016**

**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 June 30, 2016</b>	<b>For 12 Months Ended June 30,</b>		<b>Change</b>
		<b>2016</b>	<b>2015</b>	
Cash flow from operations (GAAP) .....	\$ 1,069	\$ 4,455	\$ 4,084	9%
Capital expenditures .....	(158)	(585)	(476)	
Free cash flow (non-GAAP) .....	<u>\$ 911</u>	<u>\$ 3,870</u>	<u>\$ 3,608</u>	7%
Revenue .....		<u>\$ 12,899</u>	<u>\$ 13,152</u>	
Cash flow from operations as a percent of revenue (GAAP) .....		34.5%	31.1%	
Free cash flow as a percent of revenue (non-GAAP) .....		30.0%	27.4%	