Reconciliation of Non-GAAP Financial Measure

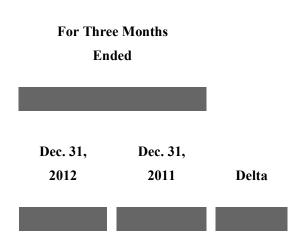
Texas Instruments Incorporated Reconciliation of Non-GAAP Financial Measures

On January 22, 2013, we held a publicly webcast conference call with analysts to discuss fourth-quarter and full-year earnings. During the call we made the non-GAAP references discussed and reconciled to GAAP below. These were in addition to ones documented in the actual <u>earnings release</u> and also discussed during the call.

Gross margin percentage change

We made a non-GAAP reference to the impact that acquisition-related charges associated with National Semiconductor included in Cost of revenue (COR) and underutilization costs had on our gross margins in the fourth quarter and the year-ago quarter. We believe this information provides investors insight into our profitability.

Texas Instruments Incorporated (Millions of dollars)



Revenue	\$ 2,979	\$ 3,420	
Cost of revenue	1,534	1,872	
Gross profit as reported (GAAP)	1,445	1,548	
Plus adjustment for underutilization costs	170	111	
Plus adjustment for acquisition-related charges in COR		103	
Gross profit as adjusted (non-GAAP)	1,615	1,762	
Gross margin as adjusted (non-GAAP)	54.2%	51.5%	2.7% *

^{* 270} basis point improvement

Adjusted five-year average quarterly sequential revenue growth rates

We also made a non-GAAP reference to TI's five-year average quarterly sequential growth rates. These five-year averages were calculated as including revenue reported by National Semiconductor (referred to as Silicon Valley Analog or SVA on the call) prior to TI's September 2011 acquisition and excluding revenue associated with the Wireless segment by quarter over this five-year period.

The table below provides a reconciliation of this non-GAAP sequential growth rate to TI's sequential growth rate as prepared in accordance with GAAP.

Texas Instruments Incorporated (Millions of dollars)

1Q vs. 4Q Five-Year Sequential Growth Rate Average

Revenue as reported (GAAP):

	Three Months Ended Dec. 31	r Three Months Inded Mar. 31	Sequential Growth Rate
2011/2012	\$ 3,420	\$ 3,121	-9%
2010/2011	3,525	3,392	-4%
2009/2010	3,005	3,205	7%
2008/2009	2,491	2,086	-16%
2007/2008	3,556	3,272	-8%
Five-Year Sequential			
Growth Rate Average			-6%

Plus National Semiconductor (NSC) revenue not included above:

For Three Months
Ended Dec. 31
Ended Mar. 31

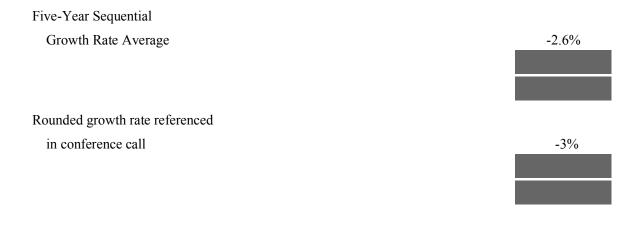
2011/2012	n/a	n/a
2010/2011	\$ 373	\$ 358
2009/2010	345	368
2008/2009	422	292
2007/2008	499	453

Less Wireless revenue included in Revenue as reported (GAAP):

	 Three Months nded Dec. 31	For Three Months Ended Mar. 31		
2011/2012	\$ 722	\$	373	
2010/2011	767		658	
2009/2010	758		717	
2008/2009	659		563	
2007/2008	1,138		937	

Revenue as adjusted (non-GAAP):

	 Three Months Ended Dec. 31	 r Three Months Inded Mar. 31	Sequential Growth Rate
2011/2012	\$ 2,698	\$ 2,748	1.9%
2010/2011	3,131	3,092	-1.2%
2009/2010	2,592	2,856	10.2%
2008/2009	2,254	1,815	-19.5%
2007/2008	2,917	2,788	-4.4%



2Q vs. 1Q Five-Year Sequential Growth Rate Average

Revenue as reported (GAAP):

	r Three Months Ended Mar. 31	r Three Months Inded June 30	Sequential Growth Rate
2012	\$ 3,121	\$ 3,335	7%
2011	3,392	3,458	2%
2010	3,205	3,496	9%
2009	2,086	2,457	18%
2008	3,272	3,351	2%
Five-Year Sequential			
Growth Rate Average			8%

Plus NSC revenue not included above:

	 For Three Months Ended Mar. 31		For Three Months Ended June 30	
2012	n/a		n/a	
2011	\$ 358	\$	383	
2010	368		404	
2009	292		281	
2008	453		462	

Less Wireless revenue included in Revenue as reported (GAAP):

	1	For Three Months Ended Mar. 31		For Three Months Ended June 30	
2012	\$	373	\$	342	
2011		658		558	
2010		717		727	
2009		563		614	
2008		937		920	

Revenue as adjusted (non-GAAP):

For Three Months	For Three Months	Sequential
Ended Mar. 31	Ended June 30	Growth Rate

2012	\$ 2,748	\$ 2,993	8.9%
2011	3,092	3,283	6.2%
2010	2,856	3,173	11.1%
2009	1,815	2,124	17.0%
2008	2,788	2,893	3.8%
Five-Year Sequential			
Growth Rate Average			9.4%
Rounded growth rate referenced			
in conference call			9%

3Q vs. 2Q Five-Year Sequential Growth Rate Average

Revenue as reported (GAAP):

	Fo	For Three Months		r Three Months	Sequential
	F	Ended June 30		Ended Sept. 30	Growth Rate
2012	\$	3,335	\$	3,390	2%
2011		3,458		3,466	0%
2010		3,496		3,740	7%
2009		2,457		2,880	17%
2008		3,351		3,387	1%

Plus NSC revenue not included above:

	_	For Three Months Ended June 30		For Three Months Ended Sept. 30	
2012		n/a		n/a	
2011	\$	383	\$	315	
2010		404		401	
2009		281		314	
2008		462		466	

Less Wireless revenue included in Revenue as reported (GAAP):

	For	For Three Months		For Three Months	
	E	Ended June 30		nded Sept. 30	
2012	\$	342	\$	325	
2011		558		580	
2010		727		767	
2009		614		691	
2008		920		934	

Revenue as adjusted (non-GAAP):

	For Three Months Ended June 30	For Three Months Ended Sept. 30	Sequential Growth Rate
2012	\$ 2,993	\$ 3,065	2.4%
2011	3,283	3,201	-2.5%
2010	3,173	3,374	6.3%
2009	2,124	2,503	17.8%
2008	2,893	2,919	0.9%
Five-Year Sequential			
Growth Rate Average			5.0%
Rounded growth rate referenced			
in conference call			5%

4Q vs. 3Q Five-Year Sequential Growth Rate Average

Revenue as reported (GAAP):

	r Three Months anded Sept. 30	r Three Months Ended Dec. 31	Sequential Growth Rate
2012	\$ 3,390	\$ 2.979	-12%

2011	3,466	3,420	-1%
2010	3,740	3,525	-6%
2009	2,880	3,005	4%
2008	3,387	2,491	-26%
Five-Year Sequential			
Growth Rate Average			-8%

Plus NSC revenue not included above:

		For Three Months		For Three Months		
	E	nded Sept. 30	E	nded Dec. 31		
2012		n/a		n/a		
2011	\$	315	\$	n/a		
2010		401		373		
2009		314		345		
2008		466		422		

Less Wireless revenue included in Revenue as reported (GAAP):

	For	For Three Months		For Three Months	
	E	Ended Sept. 30		Ended Dec. 31	
2012	\$	325	\$	317	
2011		580		722	
2010		767		767	

2009	691		
2008	934	659	

Revenue as adjusted (non-GAAP):

]	For Three Months	ee Months For Three Months		Sequential
		Ended Sept. 30	Ended Dec. 31		Growth Rate
2012	\$	3,065	\$	2,662	-13.1%
2011		3,201		2,698	-15.7%
2010		3,374		3,131	-7.2%
2009		2,503		2,592	3.6%
2008		2,919		2,254	-22.8%
Five-Year Sequential					
Growth Rate Average					-11.0%
Rounded growth rate referenced					
in conference call					-11%