

# Reconciliation of Non-GAAP Financial Measure

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

On October 22, 2012, we held a publicly webcast conference call with analysts to discuss our third-quarter 2012 business results. In our prepared remarks, we made a non-GAAP reference to TI's free cash flow. The reconciliation for this non-GAAP measure was provided in the body of the earnings release issued earlier in the day.

During the call, we also made a non-GAAP reference to TI's five-year average quarterly sequential growth rate, including revenue reported by National Semiconductor (referred to as Silicon Valley Analog or SVA on the conference call) prior to TI's September 2011 acquisition and excluding revenue associated with TI's baseband products. We provided this non-GAAP measure to give investors additional insight into TI's underlying business conditions and results including or excluding some selected items. The tables below provide a reconciliation of this non-GAAP sequential growth rate to TI's average quarterly sequential growth rate as prepared in accordance with GAAP.



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

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

A table with two rows of data, both of which are completely redacted with black bars.

Revenue as reported (GAAP):

	<b>For Three Months Ended Dec. 31</b>	<b>For Three Months Ended Mar. 31</b>	<b>Sequential Growth Rate</b>
	██████████	██████████	██████████
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:**

	<b>For Three Months Ended Dec. 31</b>	<b>For Three Months Ended Mar. 31</b>
	██████████	██████████
2011/2012	\$ n/a	\$ n/a
2010/2011	373	358
2009/2010	345	368
2008/2009	422	292
2007/2008	499	453

**Less Baseband revenue included in Revenue as reported (GAAP):**

	<b>For Three Months Ended Dec. 31</b>	<b>For Three Months Ended Mar. 31</b>
	██████████	██████████
2011/2012	\$ 279	\$ 87
2010/2011	435	334
2009/2010	465	424
2008/2009	464	400
2007/2008	870	720

**Revenue as adjusted (Non-GAAP):**

	<b>For Three Months Ended Dec. 31</b>	<b>For Three Months Ended Mar. 31</b>	<b>Sequential Growth Rate</b>
	██████████	██████████	██████████
2011/2012	\$ 3,141	\$ 3,034	-3%
2010/2011	3,463	3,416	-1%
2009/2010	2,885	3,149	9%
2008/2009	2,449	1,978	-19% *
2007/2008	3,185	3,005	-6%
			██████████
Five-Year Sequential Growth Rate Average			-4%
			██████████
Five-Year Sequential Growth Rate Average Excluding 1Q09 *			0%
			██████████
			██████████



