

# Reconciliation of Non-GAAP Financial Measure

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

On October 24, 2011, we held a publicly webcast conference call with analysts to discuss our third-quarter 2011 business results. During the call we made a non-GAAP reference to both days of inventory and days sales outstanding excluding the impact of balances and activity related to our acquisition of National Semiconductor, which was completed on September 23, 2011.

Because the acquisition closed so shortly before TI's quarter ended on September 30, our quarterly results include National's results of operations only for the remainder of the quarter. Acquisition accounting requires us to include National's balance sheet items, written up to their fair value. As a result, operating ratios that compare balance sheet amounts to income statement amounts may not be representative of our actual results for the full quarter.

We provided this non-GAAP presentation of days of inventory and days sales outstanding information to give investors additional insight into TI's underlying business conditions and results without the impact of these anomalies. The table below provides a reconciliation of the non-GAAP item to our third-quarter results prepared in accordance with GAAP.

### TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES

(Millions of dollars)

For Three Months Ended

September 30, 2011



	<b>TI As Reported (GAAP)</b>	<b>Less National</b>	<b>TI Excluding National (Non-GAAP)</b>
	■	■	■
Inventories	\$ 1,965	(215)	\$ 1,750
Cost of revenue	1,722	(4)	1,718
Days of inventory	103 days		92 days
Accounts receivable, net of allowances	\$ 1,784	(140)	\$ 1,644
Revenue	3,466	(18)	3,448
Days sales outstanding	46 days		43 days