

Texas Instruments Incorporated
Free Cash Flow (Non-GAAP Reconciliation)
(Millions of dollars)
Calculated as of September 30, 2013

Free cash flow

Free cash flow was calculated by subtracting Capital expenditures from Cash flow 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.

	<u>For the Three Months Ended Sept. 30, 2013</u>	<u>For the Twelve Months Ended Sept. 30, 2013</u>	<u>For the Twelve Months Ended Sept. 30, 2012</u>	<u>Change</u>
Cash flow from operations (GAAP)	\$ 1,151	\$ 3,270	\$ 3,298	-1%
Less Capital expenditures	<u>124</u>	<u>402</u>	<u>551</u>	-27%
Free cash flow (non-GAAP)	<u>\$ 1,027</u>	<u>\$ 2,868</u>	<u>\$ 2,747</u>	4%

Ratios based on free cash flow

Occasionally, we compare free cash flow to GAAP items to determine various non-GAAP ratios. For each of these ratios, reconciliation to the most directly comparable GAAP-based ratios is provided in the tables below.

Free cash flow as a percentage of revenue:

	<u>For the Twelve Months Ended Sept. 30, 2013</u>	<u>Percentage of Revenue</u>	<u>For the Twelve Months Ended Sept. 30, 2012</u>	<u>Percentage of Revenue</u>	<u>For the Twelve Months Ended Jun. 30, 2013</u>	<u>Percentage of Revenue</u>
Revenue	\$ 12,155		\$ 13,266		\$ 12,301	
Cash flow from operations (GAAP)	\$ 3,270	27%	\$ 3,298	25%	\$ 3,323	27%
Less Capital expenditures	<u>402</u>	3%	<u>551</u>	4%	<u>427</u>	3%
Free cash flow (non-GAAP)	<u>\$ 2,868</u>	24%	<u>\$ 2,747</u>	21%	<u>\$ 2,896</u>	24%

Total cash returned to shareholders as a percentage of free cash flow:

	<u>For the Twelve Months Ended Sept. 30, 2013</u>	<u>Percentage of Cash Flow from Operations (GAAP)</u>	<u>Percentage of Free Cash Flow (Non-GAAP)</u>
Cash flow from operations (GAAP)	\$ 3,270		
Free cash flow (non-GAAP)	2,868		
Dividends paid	\$ 1,084	33%	38%
Stock repurchases	<u>2,734</u>	84%	95%
Total cash returned to shareholders	<u>\$ 3,818</u>	117%	133%