SECURITIES AND EXCHANGE COMMISSION

Washington, D.C.

20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 or 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended June 30, 1995 Commission File Number 1-3761

TEXAS INSTRUMENTS INCORPORATED

(Exact name of Registrant as specified in its charter)

Delaware 75-0289970

(State of Incorporation) (I.R.S. Employer Identification No.)

13500 North Central Expressway, P.O. Box 655474, Dallas, TX 75265-5474

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code 214-995-3773

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

93,954,911

Number of shares of Registrant's common stock outstanding as of June 30, 1995

PART I - FINANCIAL INFORMATION

ITEM 1. Financial Statements.

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES
Consolidated Financial Statements
(In millions of dollars, except per-share amounts.)

	For Three Months Ended		For Six Months Ended	
Income	June 30 1995	June 30 1994	June 30 1995	June 30 1994
Net revenues	$ 3,238	$ 2,510	$ 6,099	$ 4,959
Operating costs and expenses:				
Cost of revenues	2,267	1,802	4,302	3,589
General, administrative and marketing	433	317	803	696
Employees' retirement and profit sharing plans	135	99	247	173
Total	2,835	2,218	5,352	4,458
Profit from operations	403	292	747	501
Other income (expense) net	20	(4)	37	2
Interest on loans	13	11	26	22
Income before provision for income taxes	410	277	758	481

Provision for income taxes	132	93	250	163
Net income	$ 278	$ 184	$ 508	$ 318
Earnings per common and common equivalent share	$ 2.88	$ 1.93	$ 5.29	$ 3.35
Cash dividends declared per share of common stock	$ 0.34	$ 0.25	$ 0.59	$ 0.43

Cash Flows		
Net cash provided by operating activities	$ 625	$ 704
Cash flows from investing activities:		
Additions to property, plant and equipment	(522)	(459)
Purchases of short-term investments	(400)	(289)
Sales and maturities of short-term investments	445	105
Net cash used in investing activities	(477)	(643)
Cash flows from financing activities:		
Dividends paid on common and preferred stock	(46)	(34)
Sales and other common stock transactions	65	84
Other	21	(1)
Net cash provided by financing activities	40	49
Effect of exchange rate changes on cash	19	7
Net increase in cash and cash equivalents	207	117
Cash and cash equivalents, January 1	760	404
Cash and cash equivalents, June 30	$ 967	$ 521

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES
(In millions of dollars, except per-share amounts)

Balance Sheet	June 30 1995	Dec. 31 1994
Assets		
Current assets:		
Cash and cash equivalents	$ 967	$ 760
Short-term investments	485	530
Accounts receivable, less allowance for losses of $38 million in 1995 and $37 million in 1994	1,941	1,442
Inventories:		
Raw materials	314	237
Work in process	587	553
Finished goods	313	318
Less progress billings	(202)	(226)
Inventories (net of progress billings)	1,012	882
Prepaid expenses	60	66
Deferred income taxes	349	337
Total current assets	4,814	4,017
Property, plant and equipment at cost	5,026	4,895
Less accumulated depreciation	(2,352)	(2,327)
Property, plant and equipment (net)	2,674	2,568
Deferred income taxes	255	243
Other assets	218	161
Total assets	$ 7,961	$ 6,989
Liabilities and Stockholders' Equity		
Current liabilities:		
Loans payable and current portion long-term debt	$ 27	$ 12
Accounts payable	797	678
Accrued and other current liabilities	1,705	1,509
Total current liabilities	2,529	2,199

Long-term debt	820	808
Accrued retirement costs	787	740
Deferred credits and other liabilities	267	203
Stockholders' equity:		
Preferred stock, $25 par value. Authorized - 10,000,000 shares. Participating cumulative preferred. None issued	--	--
Common stock, $1 par value. Authorized - 300,000,000 shares. Shares issued: 1995 - 94,063,930; 1994 - 92,786,992	94	93
Paid-in capital	1,109	1,041
Retained earnings	2,365	1,912
Less treasury common stock at cost. Shares: 1995 - 109,019; 1994 - 104,170	(10)	(6)
Other	--	(1)
Total stockholders' equity	3,558	3,039
Total liabilities and stockholders' equity	$ 7,961	$ 6,989

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES
Notes to Financial Statements

Earnings per common and common equivalent share are based on average common and common equivalent shares outstanding (96.7 and 95.6 million shares for the second quarters of 1995 and 1994, and 96.2 and 95.3 million shares for the six months ended June 30, 1995 and 1994). Shares issuable upon exercise of dilutive stock options and upon conversion of dilutive convertible debentures are included in average common and common equivalent shares outstanding.

On June 15, 1995, TI's Board of Directors declared a two-for-one stock split in the form of a 100% stock dividend on the common stock to shareholders of record July 21, 1995. Number of shares and per-share amounts herein do not reflect the two-for-one stock split.

Results for the first six months of 1994 include the following first quarter items: special pretax charges of $132 million and one-time royalty revenues of $69 million.

The statements of income, statements of cash flows and balance sheet at June 30, 1995, are not audited but reflect all adjustments which are of a normal recurring nature and are, in the opinion of management, necessary to a fair statement of the results of the periods shown.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Record semiconductor revenues and operating profits led the Registrant (the "company" or "TI") to its best quarterly performance ever in revenues, profits and earnings per share. The company continues to build shareholder value, posting a 22.1 percent return on invested capital for the four quarters ending June 30, 1995.

FINANCIAL SUMMARY

Net revenues for the second quarter of 1995 were $3238 million, up 29 percent from the second quarter of 1994. The increase resulted primarily from strong worldwide growth in semiconductor revenues.

Profit from operations for the quarter was $403 million, up 38 percent from $292 million in the second quarter of 1994. The largest contributor to TI's profit improvement was higher semiconductor operating profit. Net income for the quarter was $278 million, compared with $184 million in the second quarter of 1994. Earnings per share were $2.88, compared with $1.93 in the second quarter of 1994.

SEMICONDUCTORS

TI's semiconductor orders reached record levels in every major geographic region, with strength across all major product lines. More than half of the growth from the first quarter was in application-specific and mixed-signal/analog products. Orders for TI's digital signal processors and mixed-signal/analog devices have more than doubled in the last two years, with particular strength in orders from hard disk drive and wireless communications manufacturers.

Semiconductor revenues established new records in all major geographic regions, primarily because of strong demand and stable pricing in memory and strength in mixed-signal/analog and application-specific products. Over the last year, more than 40 percent of TI's mixed-signal/analog revenues have been from products introduced in the last three years.

Semiconductor operating profit was up substantially over the second quarter of 1994 and also increased over the first quarter of 1995, primarily as the result of higher revenues. The revenue growth reflected TI's broad product line and increased TI and joint-venture production of dynamic random-access memory (DRAM) products. Operating margins were up from both the second quarter of 1994 and the first quarter of 1995, on higher revenues and emphasis on greater manufacturing efficiencies.

TI is ramping up production of advanced microprocessors in its newest facility in Dallas, Texas. The company is planning to accelerate construction of the second phase of this facility for future generations of microprocessors and digital signal processors. This is expected to pull production forward to late 1996, several months ahead of the previous schedule.

TI's position continues to strengthen in the Asia-Pacific region, the fastest growing part of the world semiconductor market. The company is increasing investments in capacity, both in TI-owned facilities and in cooperation with joint-venture partners. The company is expanding capacity in its assembly and test facilities in the region. Construction is under way to expand capacity for production of 16-megabit DRAMs in the TECH joint venture in Singapore, and the TI-Acer joint venture has begun production of 16-megabit DRAMs in its expanded facility in Taiwan. The company is also increasing marketing investments and plans to expand its Customer Application Centers, which provide design assistance to strategic customers in the region.

DEFENSE ELECTRONICS

TI's defense electronics revenues were flat with the second quarter of 1994, and margins remained stable. Revenues were up slightly from the first quarter of 1995; however, TI expects defense revenues for the full year to be down slightly from 1994.

During the quarter, TI was approved to begin development of two additional versions of the Joint Stand-Off Weapon (JSOW). These new versions potentially could add more than $3 billion to the opportunity for JSOW over the life of the program. TI also received contracts from the U.S. Naval Air Systems Command for the High-speed Antiradar Missile (HARM) and from the French Ministry of Defense for the Paveway II precision-guided weapon system.

MATERIALS & CONTROLS

TI's materials and controls business continues to experience double-digit revenue growth and strong operating performance. Strong growth is continuing in the new sensor and radio-frequency-based businesses.

PERSONAL PRODUCTIVITY PRODUCTS

Revenues in TI's personal productivity products business were up from year-ago levels on the strength of record calculator revenues. Shipments of the company's higher performance notebook computers began during the quarter, although later than expected, and the product is being well accepted in the marketplace. TI is increasing marketing and product development investments to strengthen its position in the growing notebook computer market.

EMERGING OPPORTUNITIES

TI continues to invest in its software product line to extend its leadership position in model-based development into the emerging field of object-based software tools. During the second quarter, the company announced the Arranger software development tool that allows mission-critical applications and databases to be accessed from the desktop.

In TI's digital imaging activity, the company is continuing to develop production processes for Digital Light Processing (DLP) systems based on the Digital Micromirror Device. Several potential customers have recently announced engagements with TI to bring products to market using TI's DLP engines. The company expects to see products in the market by the end of 1995 or early in 1996.

Progress also continues in the development and marketing of new products based on TI's voice recognition technology, and field testing is under way on TI's local multipoint distribution technology for broadband wireless communications.

SUMMARY

The growth of the worldwide semiconductor market continues to exceed expectations. The growth is being driven by the higher semiconductor content of electronic end equipment and by the geographic diversification of the market. These factors are leading to faster long-term growth of the industry, as well as contributing to its increased stability. TI is well positioned around the world to take advantage of these structural changes in the market.

The combined efforts of TI employees worldwide have resulted in major improvements in operating performance, productivity and quality. One of the key elements in this improvement has been the companywide emphasis on customer satisfaction and business excellence. In June, TI Singapore was named the winner of the first Singapore Quality Award, the nation's highest recognition for total quality management. TI Singapore joins a long list of TI operations that, over the past few years, have been recognized internationally for excellence in quality. These operational improvements have laid a foundation for TI to increase investments in research and development (R&D) and marketing to accelerate its long-term growth and strengthen its position in the emerging networked society.

ADDITIONAL FINANCIAL INFORMATION

Segment	Change in orders, 2Q95 vs. 2Q94	Change in net revenues, 2Q95 vs. 2Q94
Components	up 52%	up 41%
Defense Electronics	down 13%	flat
Digital Products	up 13%	up 14%
Total	up 36%	up 29%

Segment	Change in orders, 1H95 vs 1H94	Change in net revenues, 1H95 vs. 1H94
Components	up 44%	up 34%
Defense Electronics	up 26%	down 4%
Digital Products	up 10%	up 9%
Total	up 36%	up 23%

TI's orders for the second quarter of 1995 were $3462 million, compared with $2549 million in the same period of 1994. The increase in components segment orders reflects strong growth across all major semiconductor product lines. The decrease in defense electronics orders resulted from timing of receipt of orders. The increase in digital products orders was in custom manufacturing services and personal productivity products.

TI's revenues in the second quarter of 1995 were $3238 million, compared with $2510 million in the second quarter of 1994. Higher semiconductor revenues, related to increased shipments and new products, accounted for virtually all of the increase in components segment revenues. Ongoing royalty revenues were also up from the second quarter of 1994. The increase in digital products segment revenues came from custom manufacturing services and personal productivity products.

Components segment profit increased over the second quarter of 1994. Most of the increase came from improved semiconductor operations; higher ongoing royalties also contributed to the increase. The digital segment had a small loss for the quarter. Personal productivity products operated at a loss caused primarily by higher marketing and product development investments, but the loss narrowed from the first quarter of 1995. Software operations, although continuing at a loss because of increased marketing investments, also improved from the first quarter. Both of these operations were profitable in the second quarter of 1994.

For the first six months of 1995, TI's orders were $6774 million, compared with $4963 million for the first six months of 1994. The increase in components segment orders resulted from strong growth in semiconductor orders, primarily memory and mixed-signal/analog products. The increase in defense orders resulted primarily from timing of orders. Most of the increase in digital segment orders was in custom manufacturing services; orders in personal productivity products were also higher.

Net revenues for the first half of 1995 were $6099 million, compared with $4959 million in the first half of 1994. The increase in components segment revenues resulted from higher semiconductor revenues, attributable primarily to increased shipments of memory and application-specific products. The decrease in defense revenues reflects the continuing gradual decline of mature production programs. Most of the increase in digital segment revenues over the first half of 1994 was in custom manufacturing services and software.

TI's profit from operations for the first six months of 1995 was $747 million, compared with $501 million in the first half of 1994. Essentially all the increase was in the components segment, resulting from improved semiconductor operations, with higher ongoing royalties also contributing. Digital segment losses narrowed from the first half of 1994 because of the absence of restructuring and

divestiture charges, although the operating loss in software widened from the first half of 1994 and personal productivity products went from a profit in the first half of 1994 to a loss in the first half of 1995.

Net income for the first half of 1995 was $508 million, compared with $318 million in the first six months of 1994. Earnings per share were $5.29, compared with $3.35 in the first half of 1994.

First-half 1995 results include several cost-reduction actions in the first quarter, including consolidations in TI's custom manufacturing services and personal productivity products businesses. These costs were more than offset by favorable first-quarter adjustments to prior-period accruals for ongoing royalties because of higher than expected shipments by some licensees. First-half 1994 results included $132 million of pretax charges taken in the first quarter for costs related to restructuring TI's European operations, primarily in the components segment, and the divestiture of nonstrategic product lines, primarily in digital products. First-half 1994 results also included $69 million in one-time royalty revenues in the first quarter, approximately offsetting the restructuring charge in the components segment.

The income tax rate for the first half of 1995 was 33.0 percent, which is the current estimate of the rate for the full year.

TI's financial condition remains strong. Cash flow from operating activities net of additions to property, plant, and equipment was a positive $103 million for the first half of 1995. During the half, cash and cash equivalents plus short-term investments increased by $162 million to $1452 million. In January, the company reduced to zero (from $125 million) the outstanding balance of its asset securitization agreement and terminated this agreement effective January 30, 1995. TI's debt-to-total-capital ratio was .19 at the end of the second quarter, down .02 from the first quarter of 1995 and year-end 1994.

On June 15, the Board of Directors declared a two-for-one stock split in the form of a 100 percent stock dividend on the common stock, payable on August 18, 1995, to shareholders of record July 21, 1995. The board also declared a 36 percent increase in the quarterly cash dividend to 34 cents a share (up from 25 cents a share). This dividend, adjusted for the stock split, would be 17 cents per share. The cash required for this dividend increase will be met from current cash flow and cash balances.

TI's backlog of unfilled orders as of June 30, 1995, was $4571 million, up $761 million from the second quarter of last year and up $225 million from the first quarter of this year, primarily because of increases in semiconductor backlog.

TI-funded R&D was $215 million in the second quarter of 1995, compared with $168 million in the second quarter of 1994. The increase was driven primarily by investments in semiconductors. R&D for the first six months of 1995 was $428 million, compared with $331 million in the

first half of 1994. R&D for the full year is now expected to be approximately $900 million.

Capital expenditures in the second quarter of this year were $300 million, compared with $254 million in the second quarter of 1994, and $522 million for the first half of 1995, compared with $459 million for the first six months of 1994.

Depreciation in the second quarter of 1995 was $182 million, compared with $162 million in the second quarter of 1994, and $359 million for the first six months of 1995, compared with $317 million for the same period of 1994.

Return on invested capital (ROIC) and return on common equity (ROCE) are measures TI uses to monitor progress in building shareholder value. For the four quarters ending June 30, 1995, ROIC was 22.1 percent, and ROCE was 28.3 percent. For the four quarters ending June 30, 1994, ROIC was 17.8 percent, and ROCE was 26.6 percent.

PART II - OTHER INFORMATION

ITEM 4. Submission of Matters to a Vote of Security Holders.

At the Annual Meeting of Stockholders held on April 20, 1995, the stockholders voted upon the election of directors.

The board nominees were elected as directors with the following vote:

Nominee	For	Withheld
James R. Adams	82,901,199	259,366
David L. Boren	82,889,515	271,050
James B. Busey IV	82,902,342	258,222
Gerald W. Fronterhouse	82,886,934	273,630
Jerry R. Junkins	82,905,006	255,558
William S. Lee	82,907,175	253,389
William B. Mitchell	82,903,318	257,247
Gloria M. Shatto	82,896,067	264,498
William P. Weber	82,906,258	254,307
Clayton K. Yeutter	82,900,392	260,172

A stockholder proposal regarding preferred stock, which was included in the Registrant's proxy statement for the annual meeting, was withdrawn by the proponent, the College Retirement Equities Fund.

ITEM 6. Exhibits and Reports on Form 8-K.

(a) Exhibits

Designation of Exhibits in this Report	Description of Exhibit
10(c)	Texas Instruments Restricted Stock Unit Plan for Directors.(The TI Directors Benefit Plan has been terminated with respect to current and future directors.)
11	Computation of primary and fully diluted earnings per common and common equiv- alent share.
12	Computation of Ratio of Earnings to Fixed Charges and Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends.
27	Financial Data Schedule

(b) Report on Form 8-K

None.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TEXAS INSTRUMENTS INCORPORATED

BY: WILLIAM A. AYLESWORTH
William A. Aylesworth
Senior Vice President,
Treasurer and
Chief Financial Officer

Date: July 21, 1995

Exhibit Index

Designation of Exhibits in this Report	Description of Exhibit	Paper (P) or Electronic (E)
10(c)	Texas Instruments Restricted Stock Unit Plan for Directors (The TI Directors Benefit Plan has been terminated with respect to current and future directors.)	E
11	Computation of primary and fully diluted earnings per common and common equiv- alent share.	E
12	Computation of Ratio of Earnings to Fixed Charges and Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends.	E
27	Financial Data Schedule	E

EXHIBIT 10(c)

TEXAS INSTRUMENTS RESTRICTED STOCK UNIT PLAN
FOR DIRECTORS

As Adopted June 15, 1995

The Texas Instruments Restricted Stock Unit Plan for Directors is designed to enhance the ability of the Company to attract and retain exceptionally qualified individuals and to encourage them to acquire a proprietary interest in the growth and performance of the Company.

For purposes of this Plan, unless otherwise indicated, the term "Company" shall mean Texas Instruments Incorporated.

Eligibility

All directors of the Company who are not during the term of this Plan and who have not previously been officers or employees of the Company shall participate in this Plan.

Definitions

As used in this Plan, the following terms shall have the meanings set forth:

(a) "Fair Market Value" shall mean, with respect to any Shares, the simple average of the high and low prices of such Shares on the date of grant of Restricted Stock Units (or, if there is no trading on the New York Stock Exchange on such date, then on the first previous date on which there is such trading) as reported in "New York Stock Exchange Composite Transactions"in "The Wall Street Journal";

(b) "Restricted Stock Units" shall mean any Units granted under paragraphs (a) or (b) under the heading "Grants of Restricted Stock Units" set forth below; and

(c) "Shares" shall mean shares of the common stock of the Company, $1.00 par value.

Administration of Plan

This Plan shall be administered by the Secretary of the Company (the "Secretary"). The Secretary shall have full power and authority to construe, interpret and administer the Plan. The Secretary may issue rules and regulations for administration of the Plan. All decisions of the Secretary shall be final, conclusive and binding upon all parties, including the Company, the stockholders and the directors. In the event of the absence or inability of the Corporate Secretary, any Assistant Secretary shall have the authority to act in his place.

Subject to the terms of the Plan and applicable law, the Secretary shall have full power and authority to: (i) interpret and administer the Plan and any instrument or agreement relating to, or Restricted Stock Units granted under, the Plan; (ii) establish, amend, suspend or waive such rules and regulations and appoint such agents as the Secretary shall deem appropriate for the proper administration of the Plan; and (iii) make any other determination and take any other action that the Secretary deems necessary or desirable for the administration of this Plan.

Restricted Stock Units Available for Grant

Subject to adjustment as provided below:

(a) Sources of Shares Deliverable Under Restricted Stock Units. Any Shares delivered pursuant to the settlement of Restricted Stock Units shall consist of treasury Shares.

(b) Adjustments. In the event that the Secretary shall determine that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company, or other similar corporate transaction or event affects the Shares such that an adjustment is determined by the Secretary to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Secretary shall, in such manner as he or she may deem equitable, adjust the number of outstanding Restricted Stock Units; provided, however, that no fractional Restricted Stock Units shall be issued or outstanding hereunder. Notwithstanding any such corporate transaction or event, no adjustment shall be made in the number of Restricted Stock Units to be granted to new directors who are elected after the occurrence of any such corporate transaction or event.

Grants of Restricted Stock Units

(a) Initial Grants of Restricted Stock Units. The Company, as of the effective date of this Plan, shall grant to each then current director of the Company 1000 Restricted Stock Units. Each Restricted Stock Unit shall be paid or settled by the issuance of one Share upon the termination of such recipient's service as a director of the Company, provided that such termination of service shall have occurred (i) after the age at which a director is ineligible under the Company's by-laws to stand for reelection to the Board, (ii) after the completion of at least eight years of service as a director of the Company or (iii) as a result of the death or disability of the director. In the event such recipient's membership on the Board of Directors of the Company shall terminate prior to the attainment of the age for ineligibility for reelection and prior to the completion of eight years of service as a director for reasons other than death or disability, such Restricted Stock Units shall terminate and all of the rights, title and interest of the recipient thereunder shall be forfeited in their entirety. Following the effective date of this Plan, each new director shall, effective as of the date of such individual's initial election or appointment to the Board of Directors, be granted 1000 Restricted Stock Units which shall be subject to the same terms and restrictions as are described in this paragraph (a). Notwithstanding the foregoing, in no event shall Shares be issued pursuant to a Restricted Stock Unit granted under this paragraph (a) if a director's service on the board shall terminate within less than six months after the date of grant for any reason other than death or disability.

(b) Grants of Restricted Stock Units for Portion of Annual Retainer. As of the date of the annual meeting of stockholders each year following the effective date of this Plan, fifty percent (50%) of the annual retainer (not including retainers for committee membership or committee chair) payable to each director during the twelve-month period beginning May 1 of such year and ending April 30 of the following year shall be paid to the director in the form of Restricted Stock Units. Also, fifty percent (50%) of each director's annual retainer for the period beginning May 1, 1995 and ending April 30, 1996 remaining payable after

June 30 shall be paid to the director in the form of Restricted Stock Units, which shall be granted as of the effective date of this Plan. The number of Restricted Stock Units to be granted under this paragraph (b) in each case shall be determined by dividing (i) the amount of annual retainer to be paid in the form of Restricted Stock Units by (ii) the Fair Market Value of the Shares and shall be rounded up to the next whole Restricted Stock Unit in the event such determination results in a fraction of a Restricted Stock Unit. Each such Restricted Stock Unit shall provide for the issuance of one Share upon the termination of the recipient's membership on the Board of Directors. In the event a director's service on the Board shall terminate for any reason during a year, the number of Restricted Stock Units granted for such year shall be reduced proportionately, and the excess shall be forfeited.

(c) Right to Dividend Equivalents. Each recipient of Restricted Stock Units under this Plan shall have the right, during the period when such Restricted Stock Units are outstanding and prior to the termination, forfeiture or payment or settlement thereof, to receive dividend equivalents equal to the amount or value of any cash or other distributions or dividends payable on the same number of Shares. The Company shall accumulate dividend equivalents on each dividend payment date and pay such accumulated amounts without interest annually.

(d) Issuance of Shares Upon Lapse of Restrictions. A stock certificate or certificates shall be registered and issued in the name of the holder of Restricted Stock Units and delivered to such holder as soon as practicable after such Restricted Stock Units have become payable or settleable in accordance with the terms of the Plan.

(e) Limits on Transfer of Restricted Stock Units. No Restricted Stock Units and no right under any Restricted Stock Units shall be assignable, alienable, salable or transferable by a participant otherwise than by will or by the laws of descent and distribution. All rights under any Restricted Stock Unit shall be exercisable during the participant's lifetime only by the participant or, if permissible under applicable law, by the participant's guardian or legal representative. No Restricted Stock Unit and no right under any such Restricted Stock Unit may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company.

(f) Share Certificates. All certificates for Shares delivered under the Plan pursuant to any Restricted Stock Units shall be subject to such stop transfer orders and other restrictions as the Secretary may deem advisable under the Plan and the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such Shares or other securities are then listed, and any applicable Federal or state securities laws, and the Secretary may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

Amendment and Termination

Except to the extent prohibited by applicable law and unless expressly provided in this Plan:

(a) Amendments to the Plan. The Board of Directors of the Company may amend, alter, suspend, discontinue or terminate the Plan, without the consent of any stockholder, participant, other holder or beneficiary of Restricted Stock Units, or other person; provided, however, that, no such action shall impair the rights under any Restricted Stock Units theretofore granted under the Plan.

(b) Correction of Defects, Omissions and Inconsistencies. The Secretary may correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any Restricted Stock Units in the manner and to the extent he or she shall deem desirable to carry the Plan into effect.

General Provisions

(a) Withholding. The Company shall be authorized to withhold from any Restricted Stock Units granted or any transfer made under any Restricted Stock Units or under the Plan or from any dividend equivalents to be paid on Restricted Stock Units the amount (in cash, Shares, other securities, or other property) of any taxes required to be withheld in respect of a grant, payment or settlement of Restricted Stock Units or any payment of dividend equivalents under such Restricted Stock Units or under the Plan and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of any such taxes.

(b) No Limit on Other Compensation Arrangements. Nothing contained in the Plan shall prevent the Company from adopting or continuing in effect other or additional compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

(c) No Right to Continued Board Membership. The grant of Restricted Stock Units shall not be construed as giving a participant the right to be retained as a director of the Company. The Board of Directors may at any time fail or refuse to nominate a participant for election to the Board, and the stockholders of the Company may at any election fail or refuse to elect any participant to the Board free from any liability or claim under this Plan or any Restricted Stock Units.

(d) Governing Law. The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of Delaware and applicable Federal law.

(e) Severability. If any provision of the Plan or any Restricted Stock Unit is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, or as to any person or any Restricted Stock Unit, or would disqualify the Plan or any Restricted Stock Unit under any law deemed applicable by the Secretary, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Secretary, materially altering the intent of the Plan or the Restricted Stock Unit, such provision shall be stricken as to such jurisdiction, person or Restricted Stock Unit, and the remainder of the Plan and any such Restricted Stock Unit shall remain in full force and effect.

(f) No Trust or Fund Created. Neither the Plan nor any Restricted Stock Units shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a participant or any other person. To the extent that any person acquires a right to receive Restricted Stock Units, or Shares pursuant to Restricted Stock Units, from the Company pursuant to this Plan, such right shall be no greater than the right of any unsecured general creditor of the Company.

(g) No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to the Plan.

Effective Date of the Plan

The Plan shall be effective as of June 15, 1995.

Term of the Plan

No Restricted Stock Units shall be granted under the Plan after April 18, 2006. However, unless otherwise expressly provided in the Plan or in the restrictions applying to Restricted Stock Units previously issued, any Restricted Stock Units theretofore granted may extend beyond such date, and the authority of the Secretary to interpret, construe, administer and make determinations under this Plan, and the authority of the Board of Directors of the Company to amend the Plan, shall extend beyond such date.

EXHIBIT 11

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES
PRIMARY AND FULLY DILUTED EARNINGS PER COMMON AND COMMON EQUIVALENT SHARE
(In thousands, except per-share amounts.)

	For Three Months Ended		For Six Months Ended	
	June 30 1995	June 30 1994	June 30 1995	June 30 1994
Net Income	$278,233	$183,938	$508,223	$317,640
Add:				
Interest, net of tax and profit sharing effect, on convertible debentures assumed converted	410	668	817	1,330
Adjusted net income	$278,643	$184,606	$509,040	$318,970
Earnings per Common and Common Equivalent Share:				
Weighted average common shares outstanding	93,602	91,944	93,222	91,573
Weighted average common equivalent shares:				
Stock option and compensation plans	1,631	1,219	1,438	1,312
Convertible debentures	1,491	2,413	1,492	2,413
Weighted average common and common equivalent shares	96,724	95,576	96,152	95,298
Earnings per Common and Common Equivalent Share	$ 2.88	$ 1.93	$ 5.29	$ 3.35
Earnings per Common Share Assuming Full Dilution:				
Weighted average common shares outstanding	93,602	91,944	93,222	91,573
Weighted average common equivalent shares:				
Stock option and compensation plans	1,899	1,311	1,999	1,404
Convertible debentures	1,491	2,413	1,492	2,413
Weighted average common and common equivalent shares	96,992	95,668	96,713	95,390
Earnings per Common Share Assuming Full Dilution	$ 2.87	$ 1.93	$ 5.26	$ 3.34

EXHIBIT 12

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF
EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS
(Dollars in millions)

						For Six Months Ended June 30	
	1990	1991	1992	1993	1994	1994	1995
Income (loss) before income taxes and fixed charges:							
Income (loss) before cumulative effect of accounting changes, interest expense on loans, capitalized interest amortized, and provision for income taxes.......	$ 14	$(250)	$ 433	$ 755	$1,098	$ 509	$ 790
Add interest attributable to rental and lease expense............	50	43	42	38	40	21	20
	$ 64	$(207)	$ 475	$ 793	$1,138	$ 530	$ 810
Fixed charges:							
Total interest on loans (expensed and capitalized).....................	$ 47	$ 59	$ 57	$ 55	$ 58	$ 27	$ 35
Interest attributable to rental and lease expense...................	50	43	42	38	40	21	20
Fixed charges............................	$ 97	$ 102	$ 99	$ 93	$ 98	$ 48	$ 55
Combined fixed charges and preferred stock dividends:							
Fixed charges.........................	$ 97	$ 102	$ 99	$ 93	$ 98	$ 48	$ 55
Preferred stock dividends (adjusted as appropriate to a pretax equivalent basis)............	36	34	55	29	--	--	--
Combined fixed charges and preferred stock dividends...........	$ 133	$ 136	$ 154	$ 122	$ 98	$ 48	$ 55
Ratio of earnings to fixed charges.........	*	*	4.8	8.5	11.6	11.0	14.7
Ratio of earnings to combined fixed charges and preferred stock dividends.........................	**	**	3.1	6.5	11.6	11.0	14.7

* Not meaningful. The coverage deficiency was $33 million in 1990 and $309 million in 1991.

** Not meaningful. The coverage deficiency was $69 million in 1990 and $343 million in 1991.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS OF TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES AS OF JUNE 30, 1995, AND FOR THE SIX MONTHS THEN ENDED, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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DEC-31-1995
JUN-30-1995
6-MOS
967
485
1,941
38
1,012
4,814
5,026
2,352
7,961
2,529
820
0
0
94
3,464
7,961
6,099
6,099
4,302
4,302
247
0
26
758
250
508
0
0
0
508
5.29
0