

Texas Instruments Incorporated
Free Cash Flow (Non-GAAP Reconciliation)
(Millions of dollars)
Calculated as of September 30, 2015

Free cash flow and associated ratios

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

	For Three Months Ended September 30, 2015	For 12 Months Ended September 30,		Change
		2015	2014	
Cash flow from operations (GAAP)	\$ 1,409	\$ 4,110	\$ 3,819	8%
Capital expenditures	(139)	(512)	(367)	
Free cash flow (non-GAAP)	<u>\$ 1,270</u>	<u>\$ 3,598</u>	<u>\$ 3,452</u>	4%
Revenue		<u>\$ 13,080</u>	<u>\$ 12,804</u>	
Cash flow from operations as a percent of revenue (GAAP)		31%	30%	
Free cash flow as a percent of revenue (non-GAAP)		28%	27%	

Free cash flow yield was calculated by dividing free cash flow by enterprise value. Enterprise value was calculated by adding market capitalization and total debt and subtracting Cash and cash equivalents and Short-term investments.

	September 30, 2015
TI's closing stock price (in dollars per share)	\$ 49.52
Common stock, shares outstanding (in shares)	1,019,629,587
Market capitalization	\$ 50,492
Total debt	4,125
Cash and cash equivalents and Short-term investments	(2,735)
Enterprise value	<u>\$ 51,882</u>
	For 12 Months Ended September 30, 2015
Cash flow from operations (GAAP) yield	8%
Free cash flow (non-GAAP) yield	7%