

**Texas Instruments Incorporated**  
**Free Cash Flow (Non-GAAP Reconciliation)**  
(Millions of dollars)  
**Calculated as of September 30, 2017**

**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.

	<b>For Three Months Ended September 30, 2017</b>	<b>For 12 Months Ended September 30,</b>		<b>Change</b>
		<b>2017</b>	<b>2016</b>	
Cash flow from operations (GAAP) .....	\$ 1,722	\$ 4,821	\$ 4,673	3%
Capital expenditures .....	(186)	(574)	(585)	
Free cash flow (non-GAAP) .....	<u>\$ 1,536</u>	<u>\$ 4,247</u>	<u>\$ 4,088</u>	4%
Revenue .....		<u>\$ 14,625</u>	<u>\$ 13,145</u>	
Cash flow from operations as a percent of revenue (GAAP) .....		<b>33.0%</b>	35.5%	
Free cash flow as a percent of revenue (non-GAAP) .....		<b>29.0%</b>	31.1%	