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 September 30, 2000 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.)

12500 TI Boulevard, P.O. Box 660199, Dallas, Texas	75266-0199
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code 972-995-3773

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

1,729,947,374
Number of shares of Registrant's common stock outstanding as of
September 30, 2000

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 Nine Months Ended	
INCOME	Sept 30 2000	Sept 30 1999	Sept 30 2000	Sept 30 1999
Net revenues	$ 3,160	$ 2,515	$ 8,851	$ 7,121
Operating costs and expenses:				
Cost of revenues	1,644	1,307	4,548	3,726
Research and development	533	350	1,306	1,046
Marketing, general and administrative	453	398	1,268	1,096
Total	2,630	2,055	7,122	5,868
Profit from operations	530	460	1,729	1,253
Other income (expense) net	565	156	2,040	313
Interest on loans	17	18	58	55
Income before provision for income taxes	1,078	598	3,711	1,511
Provision for income taxes	399	196	1,286	505
Net income	$ 679	$ 402	$ 2,425	$ 1,006
Diluted earnings per common share	$ .38	$ .23	$ 1.36	$ .58
Basic earnings per common share	$ .39	$ .24	$ 1.42	$ .60
Cash dividends declared per share of common stock	$ .021	$ .021	$ .064	$ .064

CASH FLOWS	Sept 30 2000	Sept 30 1999
Net cash provided by operating activities	$ 1,530	$ 1,304
Cash flows from investing activities:		
Additions to property, plant and equipment	(1,789)	(887)
Purchases of short-term investments	(4,304)	(1,818)
Sales and maturities of short-term investments	2,730	1,688
Purchases of noncurrent investments	(83)	(74)
Sales of noncurrent investments	2,160	209
Acquisitions of businesses, net of cash acquired	(3)	(469)
Net cash used in investing activities	(1,289)	(1,351)
Cash flows from financing activities:		
Additions to loans payable	24	11
Payments on loans payable	(19)	(13)
Additions to long-term dept	249	400
Payments on long-term debt	(250)	(254)
Dividends paid on common stock	(104)	(100)
Sales and other common stock transactions	191	182
Common stock repurchase program	(133)	(417)
Net cash used in financing activities	(42)	(191)
Effect of exchange rate changes on cash	(42)	(56)
Net increase (decrease) in cash and cash equivalents	157	(294)
Cash and cash equivalents, January 1	781	705
Cash and cash equivalents, September 30	$ 938	$ 411

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

Balance Sheet	Sept 30 2000	Dec. 31 1999
Assets		
Current assets:		
Cash and cash equivalents	$ 938	$ 781
Short-term investments	3,617	2,045
Accounts receivable, less allowance for losses of $59 million in 2000 and $67 million in 1999	2,362	1,909
Inventories:		
Raw materials	221	167
Work in process	647	501
Finished goods	254	226
Inventories	1,122	894
Prepaid expenses	100	109
Deferred income taxes	569	615
Total current assets	8,708	6,353
Property, plant and equipment	8,478	7,338
Less accumulated depreciation	(3,623)	(3,405)
Property, plant and equipment (net)	4,855	3,933
Investments	3,297	4,205
Goodwill and other acquisition-related intangibles	1,017	502
Deferred income taxes	53	41
Other assets	409	393
Total assets	$18,339	$15,427
Liabilities and Stockholders' Equity		
Current liabilities:		
Loans payable and current portion long-term debt	$ 204	$ 331
Accounts payable	828	687
Accrued and other current liabilities	1,837	1,679
Total current liabilities	2,869	2,697
Long-term debt	1,213	1,099
Accrued retirement costs	687	797
Deferred income taxes	822	998
Deferred credits and other liabilities	307	258
Stockholders' equity:		
Preferred stock, $25 par value. Authorized - 10,000,000 shares. Participating cumulative preferred. None issued	--	--
Common stock, $1 par value. Authorized - 2,400,000,000 shares. Shares issued: 2000 - 1,731,364,999; 1999 - 851,448,197	1,731	851
Paid-in capital	1,102	877
Retained earnings	8,727	6,406
Less treasury common stock at cost. Shares: 2000 - 1,417,625; 1999 - 1,034,757	(123)	(109)
Accumulated other comprehensive income	1,151	1,553
Deferred compensation	(147)	--
Total stockholders' equity	12,441	9,578
Total liabilities and stockholders' equity	$18,339	$15,427

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES
Notes to Financial Statements

1. Diluted earnings per common share are based on average common and dilutive potential common shares outstanding (1,791.9 and 1,750.7 million shares for the third quarters of 2000 and 1999, and 1,788.3 and 1,739.3 million shares for the nine months ended September 30, 2000 and 1999). All financial information has been restated to reflect the May, 2000 two-for-one stock split and the acquisition of Burr-Brown Corporation in August, 2000, which was accounted for as a pooling of interests.

2. Consistent with new accounting guidelines from the Emerging Issues Task Force, net cash provided by operating activities for year-to-date 2000 and 1999 includes $228 million and $100 million of income tax benefit realized from the exercise of nonqualified stock options. Previously the benefit was included in cash flows from financing activities.

3. In the third quarter of 2000, TI closed three major acquisitions, all stock-for-stock transactions:

- Burr-Brown Corporation, acquired in a pooling of interests transaction for approximately 88 million shares of TI common stock, including stock options and convertible notes. Related acquisition costs of $41 million were recognized in the quarter.
- Dot Wireless, Inc., acquired in a purchase transaction for approximately 6.8 million shares of TI common stock. See Note 14 following.
- Alantro Communications, Inc., acquired in a purchase transaction for approximately 4.2 million shares or TI common stock. See Note 14 following.

4. In the third quarter of 2000, the company recorded net pretax charges of $10 million for several Semiconductor and Materials & Controls restructuring and other actions in the U.S., Japan and Europe. Of the $10 million, asset abandonment charges were $17 million, gains from asset sales were $9 million, escrow pricing refunds from a prior memory manufacturing joint venture were $17 million and severance charges were $19 million. The severance action affected 432 jobs. As of September 30, 2000, none of the severance costs had been paid. Of the $10 million net charge, $12 million is included in cost of revenue, $9 million in other income and $7 million in marketing, general and administrative expense.

5. In the second and third quarters of 2000, the company realized pretax investment gains of $1211 million and $425 million, included in other income, from the sale of 20 million and 5.6 million shares of Micron Technology, Inc. ("Micron") common stock which were part of the consideration received in the company's 1998 divestiture of its memory business to Micron.

6. In the first quarter of 2000, the company recorded pretax charges of $29 million, associated with actions including the closing of the Materials & Controls manufacturing facility in Versailles, Kentucky, and TI's acquisition of Toccata Technology ApS. Of the $29 million charge, $12 million was for severance for the elimination of 480 jobs in Kentucky. As of September 30, 2000, none of severance the costs had been paid. Of the $29 million charge, $20 million is included in cost of revenues, $6 million in marketing, general and administrative expense, and $3 million in research and development expense.

7. In the third quarter of 1999, severance actions were taken by TI's semiconductor operations in the U.S. These actions, taken in response to the continuing downturn in the hard disk drive market, affected 206 jobs. As a result, TI took a pretax charge of $12 million in the third quarter, of which $10 million was included in cost of revenues and $2 million in marketing,

general and administrative expense. Of the $12 million charge, $9 million was for severance, $2 million for fixed asset write-downs for assets held for disposal, and $1 million for vendor obligations. These fixed assets were to be sold for scrap value and were therefore written down to zero, their sales value. At September 30, 2000, this program was complete.

In the third quarter of 1999, additional severance actions were taken for the Japan manufacturing efficiency program announced during the first quarter of 1999 (program is more fully discussed below in Note 8). This resulted in a pretax charge of $7 million in the third quarter for the elimination of an additional 105 jobs in Hatogaya, Japan. At year-end 1999, this program was complete.

Also included is $15 million of acquisition costs from the company's pooling of interests with Telogy Networks, Inc. and a $4 million pretax operating charge by Unitrode Corporation for a severance action.

8. In the first quarter of 1999, the company announced a consolidation of semiconductor manufacturing operations in Japan to improve manufacturing efficiencies and reduce costs. The action resulted in a pretax charge of $14 million in the first quarter, of which $13 million was for severance for the elimination of 153 jobs in Hatagoya, Japan and $1 million for other related costs. At year-end 1999, this program was complete. Of the $14 million charge, $11 million was included in cost of revenues and $3 million in marketing, general and administrative expense.

9. Total comprehensive income (loss), i.e., net income plus investment and pension liability adjustments to stockholders' equity, for the third quarters of 2000 and 1999 was $(1,263) million and $1,231 million. For the nine months ended September 30, 2000 and 1999, it was $2,023 million and $1,669 million.

10. There has been no significant change in the status of the audit and investigation concerning grants from the Italian government.

In July 2000, TI increased its guarantee to $210 million, from $110 million at year-end 1999, of the payment obligation of a supplier under a lease financing facility, maturing 2003. Obligations under this facility were $143 million at September 30, 2000 and $2 million at year-end 1999. In October 2000, TI was released from its guarantee of borrowings by TECH Semiconductor Singapore under its $450 million principal amount credit facility.

11. Accounting standards SFAS No. 133 was issued in 1998 and is effective in 2001. It requires that all derivatives be marked-to-market on an ongoing basis. Along with the derivatives, any underlying hedged items are also to be marked-to-market on an ongoing basis. The market value adjustments are to be included in the income statement or stockholders' equity, depending on the nature of the transaction. The company is currently evaluating the standard's impact and expects to adopt the standard in the first quarter of 2001 on a cumulative basis.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin (SAB) No. 101 on revenue recognition. The company is currently evaluating the impact of SAB No. 101, which is effective in the fourth quarter of 2000, and expects any effect to be immaterial.

12. The statements of income, statements of cash flows and balance sheet at September 30, 2000, 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.

13. Business segment information is as follows:

Business Segment Net Revenues (millions of dollars)	For Three Months Ended Sept 30 2000	For Three Months Ended Sept 30 1999	For Nine Months Ended Sept 30 2000	For Nine Months Ended Sept 30 1999
Semiconductor				
Trade	$ 2,714	$ 2,097	$ 7,583	$ 5,936
Intersegment	4	4	13	11
	2,718	2,101	7,596	5,947
Materials & Controls				
Trade	269	252	855	753
Intersegment	--	--	--	1
	269	252	855	754
Educational & Productivity Solutions				
Trade	160	160	382	394
Corporate activities	10	(5)	8	(12)
Divested activities	3	7	10	38
Total	$ 3,160	$ 2,515	$ 8,851	$ 7,121

Beginning in 2000, management decided to assess profit performance of its business segments excluding the effect of acquisition-related amortization. Accordingly, 2000 business segment profit amounts exclude this amortization ($41 million for the third quarter and $92 million year-to-date). Business segment profit amounts for 1999 include this amortization ($24 million for the third quarter and $43 million year-to-date).

Business Segment Profit (Loss) (millions of dollars)				
Semiconductor	$ 693	$ 481	$ 1,931	$ 1,317
Materials & Controls	47	41	161	123
Educational & Productivity Solutions	55	47	106	100
Corporate activities	(52)	(80)	(180)	(208)
Special charges/gains and acquisition-related amortization, net of applicable profit sharing	221	(40)	1,353	(110)
Interest on loans/other income (expense) net, excluding second and third quarter 2000 gains of $1,211 million and $436 million included above in special charges/gains and acquisition-related amortization	112	138	334	259
Divested activities	2	11	6	30
Income before provision for income taxes	$ 1,078	$ 598	$ 3,711	$ 1,511

14. Year-to-date acquisition-related purchased in-process R&D charges were $112 million in 2000 and $79 million in 1999. These charges are for research and development from business purchase acquisitions. Values for acquired in-process R&D (purchased R&D) were determined at the acquisition date based upon the appraised value of the related developmental projects. Purchased R&D projects were assessed, analyzed and valued within the context and framework articulated by the Securities and Exchange Commission herein described as the Exclusion Approach.

Significant assumptions, detailed in the following table, used in determining the value of purchased R&D included the discount rate, the estimated beginning date of projected operating cash flows, and the remaining cost and time, in engineer-months, to complete the R&D projects. The term "engineer month" refers to the average amount of research work expected to be performed by an engineer in a month.

The relative stage of completion and projected operating cash flows of the underlying in-process projects acquired were the most significant and uncertain assumptions utilized in the valuation analysis of the in-process R&D. Such uncertainties could give rise to unforeseen budget overruns and/or revenue shortfalls in the event that TI is unable to successfully complete and commercialize the projects. TI management is primarily responsible for estimating the value of the purchased R&D in all acquisitions accounted for under the purchase method. TI expects to essentially meet its original return expectations for the projects.

Millions of Dollars

Entity acquired	Acquisition date	Consid- eration	Goodwill	Other intan- gibles	Deferred compen- sation	Purchased in-process R&D charge	Appraisal method
Butterfly VLSI, Ltd.	First quarter 1999	$ 52	$ 33	$ 5	--	$ 10	Exclusion approach
Libit Signal Processing Ltd.	Second quarter 1999	$365	$207	$106	--	$ 52	Exclusion approach
Integrated Sensor Solutions, Inc.	Third quarter 1999	$ 67	$ 32	$ 11	--	$ 16	Exclusion approach
Alantro Commun- ications, Inc.	Third quarter 2000	$277	$148	$ 58	$ 32	$ 52	Exclusion approach
Dot Wireless, Inc.	Third quarter 2000	$467	$302	$ 46	$119	$ 60	Exclusion approach

Entity acquired	R&D focus	Discount rate	Cost/time to complete R&D projects: At acquisition	Cost/time to complete R&D projects: At Sept 2000	Year cash flows projected to begin
Butterfly VLSI, Ltd.	Short distance wireless technology for voice- plus-data transmission products	25%	$5/264 engineer months	Project completed	2000
Libit Signal Processing Ltd.	Silicon Solutions and Internet telephony software for cable modems, etc. for Internet access	22%	$5/492 engineer months	Project completed	2000
Integrated Sensor Solutions, Inc.	Intelligent sensors for auto/ ind. markets	25%	$4/233 engineer months	Project completed	2000
Alantro Commun- ications, Inc.	Wireless networking technology for home and office	24%	$2.9/ 172 engineer months	$2.3/138 engineer months	2002
Dot Wireless,	Architec- ture for	20%	$4.1/ 256	$3.5/219 engineer	2003

Inc.	third generation (3G) wireless devices for delivering voice and high speed data to mobile users	engineer months	months

15. The following is a reconciliation of individual restructuring accruals (in millions of dollars).

			Year of Charge		
		Balance, prior actions --	1998		
Description*	Total	primarily severance and business divestiture related	SC and Corp. actions	SC operation closing & M&C sale of operation	SC Unitrode semiconductor action
BALANCE, DECEMBER 31, 1999...	$ 76	$ 44	$ 17	$ 6	$ 1
CHARGES:					
Severance	12				
Various charges	1				
DISPOSITIONS:					
Severance payments	(6)	(1)	(3)		-
BALANCE, MARCH 31, 2000	83	43	14	6	1
DISPOSITIONS:					
Severance payments	(6)	(3)	(1)		(1)
Various payments	(1)	(1)			
Adjustments - net reversal to income	(8)	(7)			
BALANCE, JUNE 30, 2000	68	32	13	6	-
CHARGES:					
Severance	19				
DISPOSITIONS:					
Severance payments	(2)		(2)		
Various payments	(1)			(1)	
Adjustments - net reversal to income	(5)				
BALANCE, SEPTEMBER 30, 2000	$ 79	$ 32	$ 11	$ 5	$ -

	Year of Charge			
	1999		2000	
Description*	SC operation closing in Japan	cost reduction action in U.S.	M&C site closing	SC and M&C restructuring actions
BALANCE, DECEMBER 31, 1999...	$ 2	$ 6		
CHARGES:				
Severance			$ 12	
Various charges			1	
DISPOSITIONS:				
Severance payments		(2)		
BALANCE, MARCH 31, 2000	2	4	13	
DISPOSITIONS:				
Severance payments		(1)		

Various payments				
Adjustments - net reversal to income			(1)	
BALANCE, JUNE 30, 2000	2	3	12	
CHARGES:				
Severance				$ 19
DISPOSITIONS:				
Severance payments				
Various payments				
Adjustments - net reversal to income	(2)	(3)		
BALANCE, SEPTEMBER 30, 2000	$ -	$ -	$ 12	$ 19

*Abbreviations
SC = Semiconductor Business
M&C = Materials & Controls Business
Corp. = Corporate Division

16. In connection with its third quarter, 2000 pooling of interests acquisition of Burr-Brown Corporation (now known as TI Tucson), Texas Instruments Incorporated (TI), the parent, has fully and unconditionally guaranteed payment of the principal, premium, if any, and interest under TI Tucson's $250 million principal amount of 4 1/4% Convertible Subordinated Notes issued February 24, 2000, and due 2007. Such guarantee is subordinated to TI's existing and future senior indebtedness.

In lieu of providing separate audited financial statements of TI Tucson, TI has included the accompanying unaudited consolidating condensed financial statements in accordance with Rule 3-10(c) of the SEC's Regulation S-X.

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES
Unaudited Consolidating Condensed Statement of Income
For Three Months Ended September 30, 2000
(In millions of dollars)

	Texas Instruments Incorporated	TI Tucson Operating results	TI Tucson Special items	TI Tucson consolidated	Non-guarantor subsidiaries and eliminations	Consolidated
Net revenues	$2,862	$ 112	$ 15	$ 127	$ 171	$3,160
Operating costs and expenses:						
Cost of revenues	1,490	46	19	65	89	1,644
Research and development	361	15	--	15	157	533
Marketing, general and administrative	261	18	18	36	156	453
Total	2,112	79	37	116	402	2,630
Profit (loss) from operations	750	33	(22)	11	(231)	530
Other income (expense) net	737	6	2	8	(180)	565
Interest on loans	19	3	--	3	(5)	17
Income (loss) before provision for income taxes	1,468	36	(20)	16	(406)	1,078
Provision (credit) for income taxes	317	13	(7)	6	76	399
Income before equity in earnings of subsidiaries	1,151	23	(13)	10	(482)	679
Equity in earnings of subsidiaries	(472)	--	--	--	472	--
Net income	$ 679	$ 23	$ (13)	$ 10	$ (10)	$ 679

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES
Unaudited Consolidating Condensed Statement of Income
For Three Months Ended September 30, 1999
(In millions of dollars)

	Texas Instruments Incorporated	TI Tucson: Operating results	TI Tucson: Special items	TI Tucson: TI Tucson consolidated	Non-guarantor subsidiaries and eliminations	Consolidated
Net revenues	$2,089	$ 78	$ --	$ 78	$ 348	$2,515
Operating costs and expenses:						
Cost of revenues	988	37	--	37	282	1,307
Research and development	339	12	--	12	(1)	350
Marketing, general and administrative	248	12	--	12	138	398
Total	1,575	61	--	61	419	2,055
Profit (loss) from operations	514	17	--	17	(71)	460
Other income (expense) net	150	1	--	1	5	156
Interest on loans	16	--	--	--	2	18
Income (loss) before provision for income taxes	648	18	--	18	(68)	598
Provision for income taxes	145	5	--	5	46	196
Income before equity in earnings of subsidiaries	503	13	--	13	(114)	402
Equity in earnings of subsidiaries	(101)	--	--	--	101	--
Net income	$ 402	$ 13	$ --	$ 13	$ (13)	$ 402

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES
Unaudited Consolidating Condensed Statement of Income
For Nine Months Ended September 30, 2000
(In millions of dollars)

	Texas Instruments Incorporated	TI Tucson Operating results	TI Tucson Special items	TI Tucson consolidated	Non-guarantor subsidiaries and eliminations	Consolidated
Net revenues	$7,757	$ 306	$ 15	$ 321	$ 773	$8,851
Operating costs and expenses:						
Cost of revenues	4,269	131	19	150	129	4,548
Research and development	922	43	--	43	341	1,306
Marketing, general and administrative	760	45	18	63	445	1,268
Total	5,951	219	37	256	915	7,122
Profit (loss) from operations	1,806	87	(22)	65	(142)	1,729
Other income (expense) net	2,057	14	2	16	(33)	2,040
Interest on loans	64	6	--	6	(12)	58
Income (loss) before provision for income taxes	3,799	95	(20)	75	(163)	3,711
Provision (credit) for income taxes	1,089	30	(7)	23	174	1,286
Income before equity in earnings of subsidiaries	2,710	65	(13)	52	(337)	2,425
Equity in earnings of subsidiaries	(285)	--	--	--	285	--
Net income	$2,425	$ 65	$ (13)	$ 52	$ (52)	$2,425

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES
Unaudited Consolidating Condensed Statement of Income
For Nine Months Ended September 30, 1999
(In millions of dollars)

	Texas Instruments Incorporated	TI Tucson Operating results	TI Tucson Special items	TI Tucson consolidated	Non-guarantor subsidiaries and eliminations	Consolidated
Net revenues	$5,913	$ 207	$ --	$ 207	$1,001	$7,121
Operating costs and expenses:						
Cost of revenues	3,221	99	--	99	406	3,726
Research and development	862	33	--	33	151	1,046
Marketing, general and administrative	670	35	--	35	391	1,096
Total	4,753	167	--	167	948	5,868
Profit (loss) from operations	1,160	40	--	40	53	1,253
Other income (expense) net	359	2	--	2	(48)	313
Interest on loans	47	--	--	--	8	55
Income (loss) before provision for income taxes	1,472	42	--	42	(3)	1,511
Provision for income taxes	336	11	--	11	158	505
Income before equity in earnings of subsidiaries	1,136	31	--	31	(161)	1,006
Equity in earnings of subsidiaries	(130)	--	--	--	130	--
Net income	$1,006	$ 31	$ --	$ 31	$ (31)	$1,006

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES
Unaudited Consolidating Condensed Balance Sheet
September 30, 2000
(In millions of dollars)

	Texas Instruments Incorporated	TI Tucson consol-idated	Non-guarantor subsidiaries and eliminations	Consolidated
Assets				
Current assets:				
Cash and cash equivalents	$ 422	$ 10	$ 506	$ 938
Short-term investments	3,473	158	(14)	3,617
Accounts receivable	1,543	76	743	2,362
Inventories	585	59	478	1,122
Prepaid expenses	59	5	36	100
Deferred income taxes	1	17	551	569
Total current assets	6,083	325	2,300	8,708
Property, plant and equipment (net)	3,357	97	1,401	4,855
Investments	2,616	16	665	3,297
Goodwill and other acquisition-related intangibles	--	--	1,017	1,017
Deferred income taxes	--	--	53	53
Other assets	383	17	9	409
Investment in subsidiaries	3,159	--	(3,159)	--
Intercompany accounts (net)	(75)	266	(191)	--
Total assets	$15,523	$ 721	$2,095	$ 18,339
Liabilities and Stockholders' Equity				
Current liabilities:				
Loans payable and current portion long-term debt	$ 154	$ 3	$ 47	$ 204
Accounts payable	470	26	332	828
Accrued and other current liabilities	646	28	1,163	1,837
Total current liabilities	1,270	57	1,542	2,869
Long-term debt	888	251	74	1,213
Accrued retirement costs	519	--	168	687
Deferred income taxes	546	7	269	822
Deferred credits and other liabilities	297	1	9	307
Stockholders' equity	12,003	405	33	12,441
Total liabilities and stockholders' equity	$15,523	$ 721	$2,095	$18,339

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES
Unaudited Consolidating Condensed Balance Sheet
December 31, 1999
(In millions of dollars)

	Texas Instruments Incorporated	TI Tucson consolidated	Non-guarantor subsidiaries and eliminations	Consolidated
Assets				
Current assets:				
Cash and cash equivalents	$ 194	$ 118	$ 469	$ 781
Short-term investments	1,979	45	21	2,045
Accounts receivable	1,189	66	654	1,909
Inventories	391	50	453	894
Prepaid expenses	60	9	40	109
Deferred income taxes	--	10	605	615
Total current assets	3,813	298	2,242	6,353
Property, plant and equipment (net)	2,751	98	1,084	3,933
Investments	3,602	1	602	4,205
Goodwill and other acquisition-related intangibles	--	--	502	502
Deferred income taxes	(19)	--	60	41
Other assets	721	3	(331)	393
Investment in subsidiaries	1,829	--	(1,829)	--
Intercompany accounts (net)	(77)	--	77	--
Total assets	$12,620	$ 400	$ 2,407	$15,427
Liabilities and Stockholders' Equity				
Current liabilities:				
Loans payable and current portion long-term debt	$ 280	$ 18	$ 33	$ 331
Accounts payable	383	19	285	687
Accrued and other current liabilities	758	32	889	1,679
Total current liabilities	1,421	69	1,207	2,697
Long-term debt	993	2	104	1,099
Accrued retirement costs	522	--	275	797
Deferred income taxes	770	6	222	998
Deferred credits and other liabilities	244	--	14	258
Stockholders' equity	8,670	323	585	9,578
Total liabilities and stockholders' equity	$12,620	$ 400	$ 2,407	$15,427

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES
Unaudited Consolidating Condensed Statement of Cash Flows
For Nine Months Ended September 30, 2000
(In millions of dollars)

	Texas Instruments Incorporated	TI Tucson consol-idated	Non-guarantor subsidiaries and eliminations	Consolidated
Net cash provided by (used in) operating activities	$ 1,023	$ (210)	$ 717	$ 1,530
Cash flows from investing activities:				
Additions to property, plant and equipment	(1,185)	(15)	(589)	(1,789)
Purchases of short-term investments	(4,119)	(163)	(22)	(4,304)
Sales and maturities of short-term investments	2,623	57	50	2,730
Purchases of noncurrent investments	(61)	(22)	--	(83)
Sales of noncurrent investments	2,154	6	--	2,160
Acquisitions of businesses, net of cash acquired	(3)	--	--	(3)
Net cash used in investing activities	(591)	(137)	(561)	(1,289)
Cash flows from financing activities:				
Additions to loan payables	--	3	21	24
Payments on loan payables	--	(19)	--	(19)
Additions to long-term debt	--	243	6	249
Payments on long-term debt	(230)	--	(20)	(250)
Dividends paid on common stock	(104)	--	--	(104)
Sales and other common stock transactions	301	12	(122)	191
Common stock repurchase program	(133)	--	--	(133)
Change in intercompany accounts	(1)	--	1	--
Net cash provided by (used in) financing activities	(167)	239	(114)	(42)
Effect of exchange rate changes on cash	(37)	--	(5)	(42)
Net increase (decrease) in cash and cash equivalents	228	(108)	37	157
Cash and cash equivalents, January 1	194	118	469	781
Cash and cash equivalents, September 30	$ 422	$ 10	$ 506	$ 938

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES
Unaudited Consolidating Condensed Statement of Cash Flows
For Nine Months Ended September 30, 1999
(In millions of dollars)

	Texas Instruments Incorporated	TI Tucson consol-idated	Non-guarantor subsidiaries and eliminations	Consolidated
Net cash provided by (used in) operating activities	$ 1,509	$ 42	$ (247)	$ 1,304
Cash flows from investing activities:				
Additions to property, plant and equipment	(647)	(15)	(225)	(887)
Purchases of short-term investments	(1,690)	--	(128)	(1,818)
Sales and maturities of short-term investments	1,670	--	18	1,688
Purchases of noncurrent investments	(65)	(9)	--	(74)
Sales of noncurrent investments	189	16	4	209
Acquisitions of businesses, net of cash acquired	(469)	--	--	(469)
Net cash used in investing activities	(1,012)	(8)	(331)	(1,351)
Cash flows from financing activities:				
Additions to loan payables	--	11	--	11
Payments on loan payables	--	(13)	--	(13)
Additions to long-term debt	400	--	--	400
Payments on long-term debt	(200)	(1)	(53)	(254)
Dividends paid on common stock	(100)	--	--	(100)
Sales and other common stock transactions	179	5	(2)	182
Common stock repurchase program	(411)	(5)	(1)	(417)
Change in intercompany accounts	(347)	--	347	--
Net cash provided by (used in) financing activities	(479)	(3)	291	(191)
Effect of exchange rate changes on cash	(43)	(1)	(12)	(56)
Net increase (decrease) in cash and cash equivalents	(25)	30	(299)	(294)
Cash and cash equivalents, January 1	79	72	554	705
Cash and cash equivalents, September 30	$ 54	$ 102	$ 255	$ 411

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

The Registrant (the "company" or "TI") announced third-quarter 2000 financial results that show revenue growth for TI's semiconductor business accelerated in the third quarter to 8 percent sequentially and 29 percent over the same quarter last year. Growth was driven by demand for TI's DSP and Analog semiconductors, as well as demand across a breadth of TI's other semiconductor products.

Wireless revenue grew 37 percent over the same quarter last year. Catalog revenue grew 56 percent over a year ago. Revenue from broadband communications grew 70 percent sequentially.

SUMMARY OF FINANCIAL RESULTS

Note: TI's financial results reflect the completed pooling of interests acquisition of Burr-Brown Corporation and the inclusion of its results in the Semiconductor segment. Historical results for this, as well as the May, 2000 two-for-one stock split, have been restated accordingly.

For the third quarter of 2000, TI reported the following:

Total revenue was $3160 million, up 26 percent from $2515 million in the year-ago quarter and up 7 percent sequentially due to increased growth in semiconductor revenue. Semiconductor revenue was $2718 million, up 29 percent from $2101 million in the same quarter of 1999 and up 8 percent sequentially.

Cost of revenues in the third quarter was $1644 million compared to $1307 million in the year-ago quarter. Cost of revenues increased about the same as the increase in revenues, on a percentage basis.

Research and development (R&D) totaled $533 million, including $112 million of purchased in-process R&D costs from the Dot Wireless, Inc. and Alantro Communications, Inc. acquisitions, compared with $350 million in the third quarter of 1999, which included $16 million of purchased in-process R&D costs from the Integrated Sensor Solutions, Inc. acquisition. The increase was primarily due to acquisition related in-process R&D costs.

Marketing, general and administrative expense in the quarter was $453 million, compared with $398 million in the year-ago quarter, primarily due to higher semiconductor expenditures, including marketing-related activities. The increase was less than the total increase in TI revenues, on a percentage basis.

Other income (expense) net increased from $156 million in the third quarter of 1999 to $565 million in the third quarter of 2000, primarily due to the sale of 5.6 million shares of Micron common stock.

The income tax rate for the quarter was 37 percent.

Orders in the third quarter were $3250 million, up 29 percent from $2511 million in the year-ago quarter due to semiconductor. Sequentially, TI orders were down 3 percent primarily due to seasonality in Educational & Productivity Solutions and Materials & Controls.

In addition to the $425 million gain associated with the sale of Micron common stock, results for this quarter include special charges of $112 million of purchased in-process R&D costs, $41 million in pooling of interests acquisition costs, $41 million of amortization of goodwill and other acquisition-related intangibles, and $10 million of net charges for restructuring and other actions.

For the second quarter of 2000, results included an investment gain of $1211 million, included in other income, from the sale of 20 million shares of Micron common stock. Also included is amortization of goodwill and other acquisition-related intangibles of $25 million.

For the first quarter of 2000, results included special charges of $29 million for actions including the closing of a Materials and Controls (M&C) manufacturing facility in Versailles, Kentucky, and TI's acquisition of Toccata Technology ApS. Also included is amortization of goodwill and other acquisition-related intangibles of $25 million.

For the third quarter of 1999, results included special charges of $54 million, primarily for in-process R&D costs associated with TI's acquisition of Integrated Sensor Solutions, Inc. and costs associated with the pooling acquisition of Telogy Networks, Inc. Also included is amortization of goodwill and other acquisition-related intangibles of $24 million.

For the second quarter of 1999, results included special charges of $52 million for in-process R&D associated with the acquisition of Libit Signal Processing Ltd. Also included is amortization of goodwill and other acquisition-related intangibles of $9 million.

For the first quarter of 1999, results included special charges of $25 million, primarily for a consolidation of semiconductor manufacturing operations in Japan. Also included is amortization of goodwill and other acquisition-related intangibles of $10 million.

Additional information relating to these items appears below under the heading "Special Charges and Gains."

OUTLOOK

TI expects its semiconductor revenue to grow sequentially by a few percentage points in the fourth quarter. Revenue is expected to decline sequentially in Educational & Productivity Solutions and in Materials & Controls. TI expects the net result to be total revenue in the fourth quarter that is about even with total revenue in the third quarter.

Specifically, TI expects the following:

Revenue from wireless will decline sequentially as certain major handset customers absorb semiconductor inventory in the fourth quarter, more than offsetting the continuing revenue growth in chipset and base-station products.

Revenue from catalog DSP and Analog products is expected to grow as a result of new applications, new product introductions and increased demand for existing products.

Revenue growth for broadband communications should reflect the continuing strong demand that is developing for TI's digital subscriber line (DSL) and cable modem products.

Revenue for the Materials & Controls business should be down from the third quarter reflecting the sale of the materials portion of this business. The sale is expected to close by October 31, 2000. The materials operation contributed about $95 million in trade revenue in 1999.

Revenue for Educational & Productivity Solutions in the fourth quarter is expected to be less than half of what it was in the third quarter, primarily due to the normal seasonal pattern in this business.

R&D is expected to be $1.6 billion, excluding acquisition-related in-process R&D costs, up from the previously expected $1.5 billion, reflecting the acquisition of Burr-Brown.

SEMICONDUCTOR

Semiconductor revenue was $2718 million in the third quarter, up 29 percent from the same period in 1999 and up 8 percent sequentially due primarily to strength in DSP and Analog, as well as growth across a breadth of TI's other semiconductor products. Semiconductor growth was constrained in the third quarter as demand for TI's advanced Analog products outpaced capacity. TI continues to aggressively convert several of its Analog fabrication facilities to more efficient 200-millimeter wafers, with early qualification of products well under way. Additionally, equipment is being installed in TI's first 300-millimeter wafer fabrication facility, located in Dallas, and is on schedule for production in the second half of 2001.

Semiconductor operating profit for the third quarter was $693 million, or 25.5 percent of revenue, up 2.6 points from the same quarter a year ago and up slightly from last quarter's 25.3 percent.

DSP revenue in the third quarter was up 36 percent from the same quarter a year ago and up 4 percent sequentially. Analog revenue was up 30 percent compared with the year-ago period and up 9 percent sequentially. DSP and Analog comprised about 65 percent of TI's semiconductor revenue. Revenue for TI's remaining semiconductor products increased from the year-ago quarter and from the second quarter of 2000.

TI's semiconductor revenue growth in key markets was as follows:

- - Wireless revenue increased 37 percent versus a year ago and 2 percent sequentially.

- - Revenue from TI's catalog products grew 56 percent versus a year ago and 13 percent sequentially.

- - Growth in broadband communications continued to accelerate, with revenue growing 70 percent sequentially.

- - Revenue from hard-disk drive semiconductors grew at 4 percent sequentially. Revenue was down 31 percent versus a year ago. In the quarter, TI announced it has discontinued its development activity in read channel products for hard-disk drives and has redeployed more than 100 analog design engineers to higher-growth telecommunications and data networking markets.

Semiconductor orders increased 34 percent from the year-ago quarter, primarily due to strength in DSP and Analog, and were about even with the second quarter of 2000.

MATERIALS & CONTROLS (M&C)

M&C revenue in the third quarter was $269 million, up 7 percent from $252 million in the same quarter a year ago, primarily due to growth in automotive sensor products. Sequentially, third-quarter revenue was down 9 percent due to seasonal patterns in the heating and air conditioning market.

Operating profit in the third quarter was $47 million, or 17.5 percent of revenue, up 1.3 percentage points from the third quarter of 1999, primarily due to increased revenue. Operating profit was down 2.1 points from the second quarter of 2000 due to lower revenue.

During the quarter, TI announced an agreement to sell its specialty-clad metals and electrical contacts (or "materials") operation to an independent company financed by Blue Point Capital Partners. The sale is expected to close by October 31, 2000, and result in a gain.

EDUCATIONAL & PRODUCTIVITY SOLUTIONS (E&PS)

Revenue for E&PS in the third quarter of 2000 was $160 million, even with the same quarter last year. Sequentially, revenue increased 19 percent in what is the seasonally strongest quarter for this business. However, revenue in the third quarter was not as strong as expected due to weaker inventory replenishment following back-to-school sales.

Operating margin for the quarter was 34.3 percent, up 4.9 percentage points from the year-ago period and up 5.7 points from the second quarter due to cost reductions.

ADDITIONAL FINANCIAL INFORMATION

For the first nine months of 2000, TI revenue was $8851 million, up from $7121 million for the same period in 1999, due to semiconductor. Semiconductor revenue was $7596 million, up from $5947 million for the same period in 1999, primarily due to strength in DSP and Analog. M&C revenue was $855 million, up from $754 million for the same period in 1999, primarily due to growth in automotive sensor products. E&PS revenue was $382 million, down from $394 million for the same period in 1999, primarily due to the weaker inventory replenishment following back-to-school sales.

Cost of revenues for the first nine months of 2000 was $4548 million compared with $3726 million in the year-ago period. Cost of revenues increased less than the increase in revenues, on a percentage basis, reflecting manufacturing efficiencies associated with higher product shipments.

R&D in the first nine months of 2000 totaled $1306 million, compared to $1046 million in the first nine months of 1999, including in-process R&D costs from acquisitions. The increase was primarily due to semiconductor, including increased strategic investment for DSP and Analog.

Marketing, general and administrative expense in the first nine months of 2000 was $1268 million, compared with $1096 million in the year-ago period, primarily due to higher semiconductor expenditures, including marketing-related activities. The increase was less than the increase in revenues, on a percentage basis.

Other income (expense) net increased from $313 million in the first nine months of 1999 to $2040 million in the first nine months of 2000, primarily due to the sale of 25.6 million shares of Micron common stock.

The income tax rate for the first nine months of 2000 was 35 percent.

For the first nine months of 2000, TI orders were $9601 million, compared with $7496 million from the same period a year ago, primarily due to increased customer demand for semiconductor products. Semiconductor orders were $8396 million, up from $6336 million for the same period in 1999, primarily due to strength in DSP and Analog. M&C orders were $859 million, up from $762 million for the same period in 1999, primarily due to growth in automotive sensor products. E&PS orders were $382 million, down from $396 million for the same period in 1999, primarily due to the weaker inventory replenishment following back-to-school sales.

In the first nine months of 2000, cash and cash equivalents plus short-term investments increased by $1729 million to $4555 million, primarily due to the sale of Micron common stock.

Cash flow from operating activities was $1530 million in the first three quarters of 2000. Consistent with new accounting guidelines from the Emerging Issues Task Force (EITF), net cash provided by operating activities for 2000 includes $228 million of income tax benefit realized from the exercise of nonqualified employee stock options ($100 million benefit in 1999). Previously, the benefit was included in cash flows from financing activities. Capital expenditures totaled $1789 million in the three quarters of 2000, compared with $887 million in the first three quarters of 1999. Capital expenditures totaled $585 million in the third quarter of 2000 versus $360 million in the year-ago quarter.

Depreciation for the first three quarters of 2000 was $869 million, compared with $735 million in the same period a year ago. Depreciation for the third quarter of 2000 was $319 million, versus $257 million in the year-ago quarter.

At the end of the third quarter, the debt-to-total-capital ratio was .10 versus .13 at the end of 1999.

In response to Micron's notice of intent to redeem its $740 million 6.5% convertible notes, TI presented the notes for conversion into 24.7 million Micron common shares on October 9, 2000. As a result, Micron will no longer have debt outstanding to TI from its 1998 purchase of TI's memory business. Accordingly, in the fourth quarter of 2000, TI plans to recognize a gain on that divestiture which was previously deferred pending repayment of the TI-provided financing.

SPECIAL CHARGES AND GAINS

Third Quarter of 2000

In the third quarter of 2000, TI recorded investment gains of $425 million from the sale of 5.6 million shares of Micron Technology, Inc. (Micron) common stock, offset by special charges of $163 million, of which $112 million is for purchased in-process R&D costs from the Dot Wireless, Inc. and Alantro Communications, Inc. acquisitions, $41 million for acquisition costs from the pooling of interests with Burr-Brown Corporation, and $10 million, net, for several Semiconductor and Materials & Controls restructuring and other actions in the U.S., Japan and Europe. Of the $163 million, $112 million is an increase in research and development expense, $46 million in marketing, general and administrative expense, $31 million in cost of revenues, $15 million in net revenues and $11 million in other income. The primary benefit from the above actions is reduced personnel costs, which are estimated to reach $31 million annually. The benefit is expected to begin in the fourth quarter of 2000.

Second Quarter of 2000

In the second quarter of 2000, a special investment gain of $1211 million was realized from the sale of 20 million shares of Micron common stock, which were part of the consideration received in TI's 1998 divestiture of the memory business to Micron. This $1211 million gain was included in other income.

First Quarter of 2000

In the first quarter of 2000, pretax charges of $29 million were taken, associated with actions including the closing of the M&C manufacturing facility in Versailles, Kentucky, and TI's acquisition of Toccata Technology ApS. Of the $29 million charge, $12 million was for severance for the elimination of 480 jobs in Kentucky by the first quarter of 2001. At September 30, 2000, the pay-out of the severance cost obligation had not yet begun. Of the $29 million, $20 million is included in cost of revenues, $6 million in marketing, general and administrative expense and $3 million in research and development expense. The primary benefit from the Kentucky action is reduced personnel costs, which are estimated to reach $10 million annually. The benefit is expected to begin in the fourth quarter of 2000.

Third Quarter of 1999

In the third quarter of 1999, severance actions were taken by TI's semiconductor operations in the U.S. These actions, taken in response to the continuing downturn in the hard disk drive market, affected 206 jobs. As a result, the TI took a pretax charge of $12 million in the third quarter, of which $10 million was included in cost of revenues and $2 million in marketing, general and administrative expense. Of the $12 million charge, $9 million was for severance, $2 million was for fixed asset write-downs for assets held for disposal, and $1 million was for vendor obligations. These fixed assets were sold for scrap value after being written down to zero, their sales value. All of the employees have left. At September 30, 2000, the pay-out of the severance is complete. The primary benefit from this action is reduced people costs, which are estimated to reach $22 million annually. The benefit began in the fourth quarter of 1999.

In the third quarter of 1999, additional severance actions were taken for the Japan manufacturing efficiency program announced during the first quarter of 1999 (program is more fully discussed below under First Quarter of 1999). This resulted in a pretax charge of $7 million in the third quarter for the elimination of an additional 105 jobs in Hatogaya, Japan. At September 30, 2000, the pay-out of the severance obligation was complete. The $7 million charge was included in cost of revenues.

Also included is $15 million of acquisition transaction costs from the pooling acquisition of Telogy Networks, Inc. and a $4 million pretax operating charge by Unitrode Corporation for a severance action.

First Quarter of 1999

In the first quarter of 1999, the company announced a consolidation of semiconductor manufacturing operations in Japan to improve manufacturing efficiencies and reduce costs. This action resulted in a pretax charge of $14 million in the first quarter, of which $13 million was for severance for the elimination of 153 jobs in Hatogaya, Japan. At year-end 1999, this program was complete. Of the $14 million charge, $11 million was included in cost of revenues and $3 million in marketing, general and administrative expense. The primary benefit from this consolidation action was reduced personnel costs, which were estimated to reach $11 million annually. The benefit began in the fourth quarter of 1999.

Year-to-date acquisition-related purchased in-process R&D charges were $112 million in 2000 and $79 million in 1999. These charges are for research and development from business purchase acquisitions. Values for acquired in-process R&D (purchased R&D) were determined at the acquisition date based upon the appraised value of the related developmental projects. Purchased R&D projects were assessed, analyzed and valued within the context and framework articulated by the Securities and Exchange Commission herein described as the Exclusion Approach.

Significant assumptions, detailed in the following table, used in determining the value of purchased R&D included the discount rate, the estimated beginning date of projected operating cash flows, and the remaining cost and time, in engineer-months, to complete the R&D projects. The term "engineer month" refers to the average amount of research work expected to be performed by an engineer in a month.

The relative stage of completion and projected operating cash flows of the underlying in-process projects acquired were the most significant and uncertain assumptions utilized in the valuation analysis of the in-process R&D. Such uncertainties could give rise to unforeseen budget overruns and/or revenue shortfalls in the event that TI is unable to successfully complete and commercialize the projects. TI management is primarily responsible for estimating the value of the purchased R&D in all acquisitions accounted for under the purchase method. TI expects to essentially meet its original return expectations for the projects.

Millions of Dollars

Entity acquired	Acquisition date	Consid- eration	Goodwill	Other intan- gibles	Deferred compen- sation	Purchased in-process R&D charge	Appraisal method
Butterfly VLSI, Ltd.	First quarter 1999	$ 52	$ 33	$ 5	--	$ 10	Exclusion approach
Libit Signal Processing Ltd.	Second quarter 1999	$365	$207	$106	--	$ 52	Exclusion approach
Integrated Sensor Solutions, Inc.	Third quarter 1999	$ 67	$ 32	$ 11	--	$ 16	Exclusion approach
Alantro Commun- ications, Inc.	Third quarter 2000	$277	$148	$ 58	$ 32	$ 52	Exclusion approach
Dot Wireless, Inc.	Third quarter 2000	$467	$302	$ 46	$119	$ 60	Exclusion approach

Entity acquired	R&D focus	Discount rate	Cost/time to complete R&D projects: At acquisition	Cost/time to complete R&D projects: At Sept 2000	Year cash flows projected to begin
Butterfly VLSI, Ltd.	Short distance wireless technology for voice-plus-data transmission products	25%	$5/264 engineer months	Project completed	2000
Libit Signal Processing Ltd.	Silicon Solutions and Internet telephony software for cable modems, etc. for Internet access	22%	$5/492 engineer months	Project completed	2000
Integrated Sensor Solutions, Inc.	Intelligent sensors for auto/ ind. markets	25%	$4/233 engineer months	Project completed	2000

Alantro Communications, Inc.	Wireless networking technology for home and office	24%	$2.9/ 172 engineer months	$2.3/138 engineer months	2002
Dot Wireless, Inc.	Architecture for third generation (3G) wireless devices for delivering voice and high speed data to mobile users	20%	$4.1/ 256 engineer months	$3.5/219 engineer months	2003

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk.

Information concerning market risk is contained on pages B-35 and B-36 of the Registrant's proxy statement for the 2000 annual meeting of stockholders and is incorporated by reference to such proxy statement.

PART II - OTHER INFORMATION

ITEM 2. Changes in Securities and Use of Proceeds

On August 31, 2000, the Registrant acquired all the outstanding shares of the capital stock of Dot Wireless, Inc., a California corporation, in exchange for approximately 6.8 million shares of TI common stock. The offer and sale of the shares of TI common stock described above were effected without registration in reliance on the exemption afforded by section 3(a)(10) of the Securities Act of 1933, as amended. The issuance was approved, after a hearing upon the fairness of the terms and conditions of the transaction, by the California Commissioner of Corporations under authority to grant such approval as expressly authorized by the laws of the State of California.

On September 8, 2000, the Registrant acquired all the outstanding shares of the capital stock of Alantro Communications, Inc., a California corporation, in exchange for approximately 4.2 million shares of TI common stock. The offer and sale of the shares of TI common stock described above were effected without registration in reliance on the exemption afforded by section 3(a)(10) of the Securities Act of 1933, as amended. The issuance was approved, after a hearing upon the fairness of the terms and conditions of the transaction, by the California Commissioner of Corporations under authority to grant such approval as expressly authorized by the laws of the State of California.

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

(a) Exhibits

Designation of Exhibits in this Report	Description of Exhibit
11	Earnings Per Common and Dilutive Potential Common Share
12	Computation of Ratio of Earnings to Fixed Charges
27	Financial Data Schedule
27.1	Restated Financial Data Schedule as of September 30, 1999 and for the 9 months then ended.

(b) Reports on Form 8-K

The Registrant filed the following reports on Form 8-K with the Securities and Exchange Commission during the quarter ended September 30, 2000: Form 8-K filed July 6, 2000, which included a news release regarding Registrant's acquisition of Burr-Brown Corporation; and Form 8-K filed August 31, 2000, which included a news release regarding the closing of Registrant's acquisition of Burr-Brown Corporation.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995:

This Form 10-Q includes "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally can be identified by phrases such as TI or its management "believes," "expects," "anticipates," "foresees," "forecasts," "estimates" or other words or phrases of similar import. Similarly, such statements herein that describe the company's business strategy, outlook, objectives, plans, intentions or goals also are forward-looking statements. All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those in forward-looking statements.

We urge you to carefully consider the following important factors that could cause actual results to differ materially from the expectations of the company or its management:

- Market demand for semiconductors, particularly for digital signal processors and analog chips in key markets, such as telecommunications and computers;
- TI's ability to develop, manufacture and market innovative products in a rapidly changing technological environment;
- TI's ability to compete in products and prices in an intensely competitive industry;
- TI's ability to maintain and enforce a strong intellectual property portfolio and obtain needed licenses from third parties;
- Timely completion and successful integration of announced acquisitions;
- Global economic, social and political conditions in the countries in which TI and its customers and suppliers operate, including fluctuations in foreign currency exchange rates;
- Losses or curtailments of purchases from key customers;
- TI's ability to recruit and retain skilled personnel; and
- Availability of raw materials and critical manufacturing equipment.

For a more detailed discussion of these factors, see the text under the heading "Cautionary Statements Regarding Future Operations" in Item 1 of the company's most recent Form 10-K. The forward-looking statements included in this Form 10-Q are made only as of the date of this Form 10-Q and the company undertakes no obligation to update the forward-looking statements to reflect subsequent events or circumstances.

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: /s/ WILLIAM A. AYLESWORTH

William A. Aylesworth
Senior Vice President,
Treasurer and
Chief Financial Officer

Date: October 24, 2000

Exhibit Index

Designation of Exhibits in this Report	Description of Exhibit	Paper (P) or Electronic (E)
11	Earnings Per Common and Dilutive Potential Common Share	E
12	Computation of Ratio of Earnings to Fixed Charges	E
27	Financial Data Schedule	E
27.1	Restated Financial Data Schedule as of September 30, 1999 and for the 9 months then ended.	E

EXHIBIT 11

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES
EARNINGS PER COMMON AND DILUTIVE POTENTIAL COMMON SHARE

	For Three Months Ended		For Nine Months Ended	
	Sept 30 2000	Sept 30 1999	Sept 30 2000	Sept 30 1999
Net income (in millions)	$ 679	$ 402	$ 2,425	$ 1,006
Add: Interest, net of tax effect, on convertible debentures assumed converted	2	--	4	--
Adjusted net income	$ 681	$ 402	$ 2,429	$ 1,006
DILUTED EARNINGS PER COMMON AND DILUTIVE POTENTIAL COMMON SHARE:				
Weighted average common shares outstanding (in thousands)	1,720,890	1,680,748	1,712,804	1,675,210
Weighted average dilutive potential common shares:				
Stock option and compensation plans	65,358	69,938	71,049	64,086
Convertible debentures	5,625	--	4,496	--
Weighted average common and dilutive potential common shares	1,791,873	1,750,686	1,788,349	1,739,296
Diluted earnings per common share	$ .38	$ .23	$ 1.36	$ .58
BASIC EARNINGS PER COMMON SHARE:				
Weighted average common shares outstanding (in thousands)	1,720,890	1,680,748	1,712,804	1,675,210
Basic earnings per common share	$ .39	$ .24	$ 1.42	$ .60

EXHIBIT 12

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

						For Nine Months Ended Sept 30	
	1995	1996	1997	1998	1999	1999	2000
Income from continuing operations before income taxes and fixed charges:							
Income before extraordinary item, interest expense on loans, capitalized interest amortized, and provision for income taxes.....	$1,604	$ 146	$ 929	$ 774	$2,175	$1,579	$3,781
Add interest attributable to rental and lease expense...........	41	44	44	41	30	29	23
	$1,645	$ 190	$ 973	$ 815	$2,205	$1,608	$3,804
Fixed charges:							
Total interest on loans (expensed and capitalized).....................	$ 71	$ 108	$ 115	$ 86	$ 84	$ 60	$ 75
Interest attributable to rental and lease expense....................	41	44	44	41	30	29	23
Fixed charges............................	$ 112	$ 152	$ 159	$ 127	$ 114	$ 89	$ 98
Ratio of earnings to fixed charges.......	14.7	1.2	6.1	6.4	19.3	18.0	38.9

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS OF TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES AS OF SEPTEMBER 30, 2000, AND FOR THE NINE MONTHS THEN ENDED, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000,000

9-MOS
DEC-31-2000
SEP-30-2000
938
3,617
2,362
59
1,122
8,708
8,478
3,623
18,339
2,869
1,213
0
0
1,731
10,710
18,339
8,851
8,851
4,548
4,548
1,306
0
58
3,711
1,286
2,425
0
0
0
2,425
1.42
1.36

5

THIS RESTATED FINANCIAL DATA SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS OF TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES AS OF SEPTEMBER 30, 1999, AND FOR THE NINE MONTHS THEN ENDED, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000,000

9-MOS
DEC-31-1999
SEP-30-1999
411
1,864
2,131
72
832
5,952
7,122
3,430
13,855
2,537
1,161
0
0
846
7,621
13,855
7,121
7,121
3,726
3,726
1,046
0
55
1,511
505
1,006
0
0
0
1,006
.58
.60