SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-K/A

AMENDMENT NO. 1 TO
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 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, Texas, 75265-5474
(Address of principal executive offices) (Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $1.00	New York Stock Exchange London Stock Exchange Tokyo Stock Exchange The Electronical Stock Exchange Switzerland
Preferred Stock Purchase Rights	New York Stock Exchange

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ( )

The aggregate market value of voting stock held by non-affiliates of the Registrant was approximately $8,662,000,000 as of January 31, 1996.

189,423,197
(Number of shares of common stock outstanding as of January 31, 1996)

Parts I, II and IV hereof incorporate information by reference to the Registrant's 1995 annual report to stockholders. Part III hereof incorporates information by reference to the Registrant's proxy statement for the 1996 annual meeting of stockholders.

The registrant's annual report on Form 10-K for the year ended December 31, 1995 is hereby amended and restated in its entirety to correct the filing made on February 23, 1996 and will be effective for all purposes as of that date.

Pursuant to the requirements of Rule 12b-15 of the Securities Exchange Act of 1934, the registrant has duly caused this amendment to be signed on its behalf by the undersigned, thereunto authorized, on June 19, 1996.

TEXAS INSTRUMENTS INCORPORATED

By: /S/ RICHARD J. AGNICH

Richard J. Agnich
Senior Vice President and Secretary

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
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Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $1.00	New York Stock Exchange London Stock Exchange Tokyo Stock Exchange The Stock Exchanges of Zurich, Basle and Geneva
Preferred Stock Purchase Rights	New York Stock Exchange

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ( )

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PART I

ITEM 1. Business.

General
- -------

Texas Instruments Incorporated (hereinafter the "Registrant," including subsidiaries except where the context indicates otherwise) is engaged in the development, manufacture, and sale of a variety of products in the electrical and electronics industry for industrial, government, and consumer markets. These products consist of components, defense systems and electronics, and digital products. The Registrant also produces metallurgical materials. In addition, the Registrant's patent portfolio has been established as an ongoing contributor to the Registrant's revenues. The Registrant's business is based principally on its broad semiconductor technology and application of this technology to selected electronic end-equipment markets. The Registrant from time to time considers acquisitions and divestitures which may alter its business mix. The Registrant may effect one or more such transactions at such time or times as the Registrant determines to be appropriate.

The information with respect to net revenues, profit and identifiable assets of the Registrant's industry segments and operations outside the United States, which is contained in the note to the financial statements captioned "Industry Segment and Geographic Area Operations" on pages 35-37 of the Registrant's 1995 annual report to stockholders, is incorporated herein by reference to such annual report.

Components
- ----------

Components consist of semiconductor integrated circuits (such as digital signal processors, mixed signal and analog circuits, microprocessors/ microcontrollers, applications processors, memories, and digital circuits), semiconductor discrete devices, semiconductor subassemblies (such as custom modules for specific applications), and electrical and electronic control devices (such as motor protectors, starting relays, circuit breakers, thermostats, sensors, and radio-frequency identification systems).

These components are used in a broad range of products for industrial end-use (such as computers and peripheral equipment, telecommunications, instrumentation, and industrial motor controls and automation equipment), consumer end-use (such as televisions, cameras, automobiles, home appliances, and residential air conditioning and heating systems), and government end-use (such as defense and space equipment). The Registrant sells these components primarily to original equipment manufacturers principally through its own marketing organizations and to a lesser extent through distributors.

Defense Systems and Electronics
- -------------------------------

Defense systems and electronics consist of radar systems, navigation systems, infrared surveillance and fire control systems, defense suppression missiles, other weapon systems (including antitank and interdiction weapons), missile guidance and control systems, electronic warfare systems, and other defense electronic equipment. Sales are made to the U.S. government (either directly or through prime contractors) and to international customers approved by the U.S. government.

Digital Products

Digital products include software productivity tools, mobile computing products, printers, and electronic calculators. Subsequent to year-end 1995, the Registrant reached an agreement to sell substantially all of the Registrant's custom manufacturing services business.

Digital products are used in a broad range of enterprise-wide, work group and personal information-based applications. The Registrant markets these products through various channels, including system suppliers, business equipment dealers, distributors, retailers, and direct sales to end-users and original equipment manufacturers.

Metallurgical Materials

Metallurgical materials include clad metals, precision-engineered parts and electronic connectors for use in a variety of applications such as appliances, automobiles, electronic components, and industrial and telecommunications equipment. These metallurgical materials are primarily sold directly to original equipment manufacturers.

Competition

The Registrant is engaged in highly competitive businesses. Its competitors include several of the largest companies in the United States, Asia, and elsewhere abroad as well as many small, specialized companies. The Registrant is a significant competitor in each of its principal businesses. Generally, the Registrant's businesses are characterized by rapidly changing technology which has, throughout the Registrant's history, intensified the competitive factors, primarily performance and price.

Government Sales

Net revenues directly from federal government agencies in the United States, principally related to the defense systems and electronics segment, accounted for approximately 8% of the Registrant's net revenues in 1995.

Contracts for government sales generally contain provisions for cancellation at the convenience of the government. In addition, companies engaged in supplying military equipment to the government are dependent on congressional appropriations and administrative allotment of funds, and may be affected by changes in government policies resulting from various military and political developments. See "ITEM 3. Legal Proceedings."

Backlog

The dollar amount of backlog of orders believed by the Registrant to be firm was $4528 million as of December 31, 1995 and $3913 million as of December 31, 1994. Approximately 18% of the 1995 backlog (involving defense systems and electronics) is not expected to be filled within the current year. The backlog is significant in the business of the Registrant only as an indication of future revenues which may be entered on the books of account of the Registrant.

Raw Materials

The Registrant purchases materials, parts and supplies from a number of suppliers. The Registrant's silicon materials operation became part of a joint venture with MEMC Electronic Materials, Inc., in May 1995. The Registrant retains a minority ownership interest in the joint venture. The materials, parts and supplies essential to the Registrant's business are generally available at present and the Registrant believes at this time that such materials, parts and supplies will be available in the foreseeable future, although the Registrant has experienced some extended lead times on certain raw materials, particularly for silicon wafers, because of the rapid industry growth over the past three years.

Patents and Trademarks

The Registrant owns many patents in the United States and other countries in fields relating to its business. The Registrant has developed a strong, broad-based patent portfolio. The Registrant also has several agreements with other companies involving license rights and anticipates that other licenses may be negotiated in the future. The Registrant does not consider its business materially dependent upon any one patent or patent license, although taken as a whole, the rights of the Registrant and the products made and sold under patents and patent licenses are important to the Registrant's business. As noted above, the Registrant's patent portfolio has been established as an ongoing contributor to the revenues of the Registrant. See "ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "ITEM 3. Legal Proceedings."

The Registrant owns trademarks that are used in the conduct of its business. These trademarks are valuable assets, the most important of which are "Texas Instruments" and the Registrant's corporate monogram.

Research and Development

The Registrant's research and development expense was $927 million in 1995 compared with $689 million in 1994 and $590 million in 1993.

Seasonality

The Registrant's revenues are subject to some seasonal variation.

Employees

The information concerning the number of persons employed by the Registrant at December 31, 1995 on page 21 of the Registrant's 1995 annual report to stockholders is incorporated herein by reference to such annual report.

ITEM 2. Properties.

The Registrant's principal offices are located at 13500 North Central Expressway, Dallas, Texas. The Registrant owns and leases plants in the United States and 16 other countries for manufacturing and related purposes. The following table indicates the general location of the principal plants of the Registrant and the industry segments which make major use of them. Except as otherwise indicated, the principal plants are owned by the Registrant.

	Components	Defense Systems and Electronics	Digital Products	Metallurgical Materials
Dallas, Texas	X	X	X	
Austin, Texas		X	X	
Houston, Texas	X			
Lewisville, Texas		X		
Lubbock, Texas	X			
McKinney, Texas		X		
Plano, Texas(1)		X	X	
Sherman, Texas(1)	X	X		
Temple, Texas			X	
Attleboro, Massachusetts	X			X
Almelo, Netherlands	X			
Freising, Germany	X			
Avezzano, Italy(2)	X			
Baguio, Philippines(3)	X			
Hiji, Japan	X			
Kuala Lumpur, Malaysia(1)	X			
Miho, Japan	X			
Singapore(3)	X			
Taipei, Taiwan	X			

(1)Leased or primarily leased.
(2)Owned, subject to mortgage.
(3)Owned on leased land.

The Registrant's facilities in the United States contained approximately 18,300,000 square feet as of December 31, 1995, of which approximately 4,300,000 square feet were leased. The Registrant's facilities outside the United States contained approximately 7,000,000 square feet as of December 31, 1995, of which approximately 1,800,000 square feet were leased.

The Registrant believes that its existing properties are in good condition and suitable for the manufacture of its products. At the end of 1995, the Registrant utilized substantially all of the space in its facilities.

Leases covering the Registrant's leased facilities expire at varying dates generally within the next 10 years. The Registrant anticipates no difficulty in either retaining occupancy through lease renewals, month-to-month occupancy or purchases of leased facilities, or replacing the leased facilities with equivalent facilities.

ITEM 3. Legal Proceedings.

On January 1, 1996, the Registrant filed a lawsuit in Federal District Court for the Eastern District of Texas against Samsung Electronics Co., Ltd. of Korea, and its two U.S. subsidiaries ("Samsung"), seeking injunctive relief, alleging that Samsung is infringing several of the Registrant's patents relating to the manufacture of semiconductor devices, including DRAMs. Also on that date, Samsung brought a lawsuit in Federal District Court for the Northern District of Texas seeking injunctive relief against the Registrant, alleging that the Registrant is infringing several of Samsung's patents, and seeking a declaratory judgment that certain of the Registrant's patents are either invalid, not infringed or unenforceable against Samsung and that certain of the Registrant's intellectual property licensing practices are unfair. Separately, on January 16, 1996, and February 12, 1996, respectively, the Registrant and Samsung filed complaints with the International Trade Commission under Section 337 of the Tariff Act of 1930, as amended, each alleging that the other is engaged in an unfair act by importing and selling patent-infringing products in the U.S., and each seeking a permanent exclusion order forbidding such importation and sales. See "ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

On July 19, 1991, the Registrant filed a lawsuit in Tokyo District Court against Fujitsu Limited of Japan ("Fujitsu") seeking injunctive relief, alleging that Fujitsu's manufacture and sale of certain DRAMs infringe the Registrant's Japanese patent on the invention of the integrated circuit (the "Kilby" patent). Concurrently, Fujitsu brought a lawsuit in the same court against the Registrant, seeking a declaration that Fujitsu is not infringing the Kilby patent. On August 31, 1994, the district court ruled that Fujitsu's production of 1-megabit and 4-megabit DRAMs and 32K EPROMs does not infringe the Kilby patent. The Registrant has appealed the court's decision to the Tokyo High Court.

The Registrant is included among a number of U.S. defense contractors which are currently the subject of U.S. government investigations regarding alleged procurement irregularities. The Registrant is unable to predict the outcome of the investigations at this time or to estimate the kinds or amounts of claims or other actions that could be instituted against the Registrant. Under present government procurement regulations, such investigations could lead to a government contractor's being suspended or debarred from eligibility for awards of new government contracts for an initial period of up to three years. In the current environment, even matters that seem limited to disputes about contract interpretation can result in criminal prosecution. While criminal charges against contractors have resulted from such investigations, the Registrant does not believe such charges would be appropriate in its case and has not, at any time, lost its eligibility to enter into government contracts or subcontracts under these regulations.

The Registrant is involved in various investigations and proceedings conducted by the federal Environmental Protection Agency and certain state environmental agencies regarding disposal of waste materials. Although the factual situations and the progress of each of these matters differ, the Registrant believes that the amount of its liability will not have a material adverse effect upon its financial position or results of operations and, in most cases, the Registrant's liability will be limited to sharing clean-up or other remedial costs with other potentially responsible parties.

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

Not applicable.

Executive Officers of the Registrant

The following is an alphabetical list of the names and ages of the executive officers of the Registrant and the positions or offices with the Registrant presently held by each person named:

Name	Age	Position
Richard J. Agnich	52	Senior Vice President, Secretary and General Counsel
William A. Aylesworth	53	Senior Vice President, Treasurer and Chief Financial Officer
Gary D. Clubb	49	Executive Vice President (President, Defense Systems & Electronics Group)
Thomas J. Engibous	43	Executive Vice President (President, Semiconductor Group)
William F. Hayes	52	Executive Vice President
Jerry R. Junkins	58	Director; Chairman of the Board, President and Chief Executive Officer
Marvin M. Lane, Jr.	61	Vice President and Corporate Controller
David D. Martin	56	Executive Vice President
William B. Mitchell	60	Director; Vice Chairman
Charles F. Nielson	58	Vice President
Elwin L. Skiles, Jr.	54	Vice President
William P. Weber	55	Director; Vice Chairman

The term of office of each of the above listed officers is from the date of his election until his successor shall have been elected and qualified and the most recent date of election of each of them was April 20, 1995. Messrs. Agnich, Aylesworth, Junkins, Lane, Martin, Mitchell, Nielson, and Weber have served as officers of the Registrant for more than five years. Messrs. Clubb, Engibous, Hayes, and Skiles have served as officers of the Registrant since 1993, 1993, 1991, and 1992, respectively; and they have been employees of the Registrant for more than five years.

PART II

ITEM 5. Market for Registrant's Common Equity and Related Stockholder Matters.

The information which is contained in the note to the financial statements captioned "Common Stock Prices and Dividends" on page 38 of the Registrant's 1995 annual report to stockholders, and the information concerning the number of stockholders of record at December 31, 1995 on page 21 of such annual report, are incorporated herein by reference to such annual report.

ITEM 6. Selected Financial Data.

The "Summary of Selected Financial Data" for the years 1991 through 1995 which appears on page 21 of the Registrant's 1995 annual report to stockholders is incorporated herein by reference to such annual report.

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The Letter to the Stockholders on pages 3-7 of the Registrant's 1995 annual report to stockholders and the information contained under the caption "Management Discussion and Analysis of Financial Condition and Results of Operations" on pages 22-25 of such annual report are incorporated herein by reference to such annual report.

ITEM 8. Financial Statements and Supplementary Data.

The consolidated financial statements of the Registrant at December 31, 1995 and 1994 and for each of the three years in the period ended December 31, 1995 and the report thereon of the independent auditors, on pages 26-39 of the Registrant's 1995 annual report to stockholders, are incorporated herein by reference to such annual report.

The "Quarterly Financial Data" on page 39 of the Registrant's 1995 annual report to stockholders is also incorporated herein by reference to such annual report.

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Not applicable.

PART III

ITEM 10. Directors and Executive Officers of the Registrant.

The information with respect to directors' names, ages, positions, term of office and periods of service, which is contained under the caption "Nominees for Directorship" in the Registrant's proxy statement for the 1996 annual meeting of stockholders, and the information contained in the second paragraph under the caption "Other Matters" in such proxy statement, are incorporated herein by reference to such proxy statement.

Information concerning executive officers is set forth in Part I hereof under the caption "Executive Officers of the Registrant."

ITEM 11. Executive Compensation.

The information which is contained under the captions "Directors Compensation" and "Executive Compensation" in the Registrant's proxy statement for the 1996 annual meeting of stockholders is incorporated herein by reference to such proxy statement.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management.

The information concerning (a) the only persons that have reported beneficial ownership of more than 5% of the common stock of the Registrant, and (b) the ownership of the Registrant's common stock by the Chief Executive Officer and the four other most highly compensated executive officers, and all executive officers and directors as a group, which is contained under the caption "Voting Securities" in the Registrant's proxy statement for the 1996 annual meeting of stockholders, is incorporated herein by reference to such proxy statement. The information concerning ownership of the Registrant's common stock by each of the directors, which is contained under the caption "Nominees for Directorship" in such proxy statement, is also incorporated herein by reference to such proxy statement.

The aggregate market value of voting stock held by non-affiliates of the Registrant shown on the cover page hereof excludes the shares held by the Registrant's directors, some of whom disclaim affiliate status, executive vice presidents and senior vice presidents. These holdings were considered to include shares credited to certain individuals' profit sharing accounts.

ITEM 13. Certain Relationships and Related Transactions.

Not applicable.

PART IV

ITEM 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

(a) 1 and 2. Financial Statements and Financial Statement Schedules:

The financial statements and financial statement schedules are listed in the index on page 15 hereof.

3. Exhibits:

Designation of Exhibit in this Report	Description of Exhibit
3(a)	Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3(a) to the Registrant's Annual Report on Form 10-K for the year 1993).
3(b)	Certificate of Amendment to Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3(b) to the Registrant's Annual Report on Form 10-K for the year 1993).
3(c)	Certificate of Amendment to Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3(c) to the Registrant's Annual Report on Form 10-K for the year 1993).
3(d)	Certificate of Designations relating to the Registrant's Participating Cumulative Preferred Stock (incorporated by reference to Exhibit 3(d) to the Registrant's Annual Report on Form 10-K for the year 1993).
3(e)	Certificate of Ownership Merging Texas Instruments Automation Controls, Inc. into the Registrant (incorporated by reference to Exhibit 3(e) to the Registrant's Annual Report on Form 10-K for the year 1993).
3(f)	Certificate of Elimination of Designations of Preferred Stock of the Registrant (incorporated by reference to Exhibit 3(f) to the Registrant's Annual Report on Form 10-K for the year 1993).
3(g)	By-Laws of the Registrant (incorporated by reference to Exhibit 3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993).

4(a)(i)	Rights Agreement dated as of June 17, 1988 between the Registrant and First Chicago Trust Company of New York, formerly Morgan Shareholder Services Trust Company, as Rights Agent, which includes as Exhibit B the form of Rights Certificate (incorporated by reference to Exhibit 4(a)(i) to the Registrant's Annual Report on Form 10-K for the year 1993).
4(a)(ii)	Assignment and Assumption Agreement dated as of September 24, 1992 among the Registrant, First Chicago Trust Company of New York, formerly Morgan Shareholder Services Trust Company, and Harris Trust and Savings Bank (incorporated by reference to Exhibit 4(a)(i) to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1992).
4(b)	The Registrant agrees to provide the Commission, upon request, copies of instruments defining the rights of holders of long-term debt of the Registrant and its subsidiaries.
10(a)	Texas Instruments Annual Incentive Plan as amended November 30, 1995.*
10(b)(i)	TI Deferred Compensation Plan (incorporated by reference to Exhibit 10(a)(ii) to the Registrant's Annual Report on Form 10-K for the year 1994).*
10(b)(ii)	Amendment No. 1 to TI Deferred Compensation Plan (incorporated by reference to Exhibit 10(a)(iii) to the Registrant's Annual Report on Form 10-K for the year 1994).*
10(c)	Texas Instruments Long-Term Incentive Plan (incorporated by reference to Exhibit 10(a)(ii) to the Registrant's Annual Report on Form 10-K for the year 1993).*
10(d)	Texas Instruments Restricted Stock Unit Plan for Directors (incorporated by reference to Exhibit 10(c) to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995).
10(e)	Statement of Policy of Registrant's Board of Directors on Top Officer and Board Member Retirement Practices (incorporated by reference to Exhibit 10(b)(vi) to the Registrant's Annual Report on Form 10-K for the year 1993).*
11	Computation of earnings per common and common equivalent share.
12	Computation of Ratio of Earnings to Fixed Charges and Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends.

13	Registrant's 1995 Annual Report to Stockholders. (With the exception of the items listed in the index to financial statements and financial statement schedules herein, and the items referred to in ITEMS 1, 5, 6, 7 and 8 hereof, the 1995 Annual Report to Stockholders is not to be deemed filed as part of this report.)
21	List of subsidiaries of the Registrant.
23	Consent of Ernst & Young LLP.
24	Powers of Attorney.
27	Financial Data Schedule.

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*Executive Compensation Plans and Arrangements:

Texas Instruments Annual Incentive Plan as amended November 30, 1995.

TI Deferred Compensation Plan (incorporated by reference to Exhibit 10(a)(ii) to the Registrant's Annual Report on Form 10-K for the year 1994).

Amendment No. 1 to TI Deferred Compensation Plan (incorporated by reference to Exhibit 10(a)(iii) to Registrant's Annual Report on Form 10-K for the year 1994).

Texas Instruments Long-Term Incentive Plan (incorporated by reference to Exhibit 10(a)(ii) to the Registrant's Annual Report on Form 10-K for the year 1993).

Statement of Policy of Registrant's Board of Directors on Top Officer and Board Member Retirement Practices (incorporated by reference to Exhibit 10(b)(vi) to the Registrant's Annual Report on Form 10-K for the year 1993).

(b) Reports on Form 8-K:

None

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

With the exception of historical information, the matters discussed or incorporated by reference in this Report on Form 10-K are forward-looking statements that involve risks and uncertainties including, but not limited to, economic conditions, product demand and industry capacity, competitive products and pricing, manufacturing efficiencies, new product development, ability to enforce patents, availability of raw materials and critical manufacturing equipment, new plant startups, the regulatory and trade environment, and other risks indicated in filings with the Securities and Exchange Commission.

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) 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/ JERRY R. JUNKINS

Jerry R. Junkins
Chairman of the Board,
President and
Chief Executive Officer

Date: February 22, 1996

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on the 22nd day of February, 1996.

Signature	Title
*JAMES R. ADAMS James R. Adams	Director
*DAVID L. BOREN David L. Boren	Director
*JAMES B. BUSEY IV James B. Busey IV	Director
Gerald W. Fronterhouse	Director
David R. Goode	Director
/s/ JERRY R. JUNKINS Jerry R. Junkins	Chairman of the Board; President; Chief Executive Officer; Director
*WILLIAM S. LEE William S. Lee	Director
*WILLIAM B. MITCHELL William B. Mitchell	Vice Chairman; Director
*GLORIA M. SHATTO Gloria M. Shatto	Director
*WILLIAM P. WEBER William P. Weber	Vice Chairman; Director
*CLAYTON K. YEUTTER Clayton K. Yeutter	Director
/s/ WILLIAM A. AYLESWORTH William A. Aylesworth	Senior Vice President; Treasurer; Chief Financial Officer
/s/ MARVIN M. LANE, JR. Marvin M. Lane, Jr.	Vice President; Corporate Controller

*By: /s/ WILLIAM A. AYLESWORTH

William A. Aylesworth
Attorney-in-fact

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES

INDEX TO FINANCIAL STATEMENTS
AND FINANCIAL STATEMENT SCHEDULES
(Item 14(a))

	Page Reference: Form 10-K	Page Reference: Annual Report to Stockholders
Information incorporated by reference to the Registrant's 1995 Annual Report to Stockholders:		
Consolidated Financial Statements:		
Income for each of the three years in the period ended December 31, 1995		26
Balance sheet at December 31, 1995 and 1994		27
Cash flows for each of the three years in the period ended December 31, 1995		28
Stockholders' equity for each of the three years in the period ended December 31, 1995		29
Notes to financial statements		30-39
Report of Independent Auditors		39
Consolidated Schedule for each of the three years in the period ended December 31, 1995:		
II. Allowance for losses	16	

All other schedules have been omitted since the required information is not present or not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements or the notes thereto.

Schedule II

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES
ALLOWANCE FOR LOSSES
(In Millions of Dollars)
Years Ended December 31, 1995, 1994, and 1993

	Balance at Beginning of Year	Additions Charged to Costs and Expenses	Deductions	Balance at End of Year
1995	$37	$113	$105	$45
1994	$42	$80	$85	$37
1993	$34	$87	$79	$42

Allowances for losses from uncollectible accounts, returns, etc., are deducted from accounts receivable in the balance sheet.

EXHIBIT INDEX

Designation of Exhibit in this Report	Description of Exhibit	Paper(P) or Electronic(E)
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3(g)	By-Laws of the Registrant (incorporated by reference to Exhibit 3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993).	
4(a)(i)	Rights Agreement dated as of June 17, 1988 between the Registrant and First Chicago Trust Company of New York, formerly Morgan Shareholder Services Trust Company, as Rights Agent, which includes as Exhibit B the form of Rights Certificate (incorporated by reference to Exhibit 4(a)(i) to the Registrant's Annual Report on Form 10-K for the year 1993).	

4(a)(ii)	Assignment and Assumption Agreement dated as of September 24, 1992 among the Registrant, First Chicago Trust Company of New York, formerly Morgan Shareholder Services Trust Company, and Harris Trust and Savings Bank (incorporated by reference to Exhibit 4(a)(i) to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1992).	
4(b)	The Registrant agrees to provide the Commission, upon request, copies of instruments defining the rights of holders of long-term debt of the Registrant and its subsidiaries.	
10(a)	Texas Instruments Annual Incentive Plan as amended November 30, 1995.*	E
10(b)(i)	TI Deferred Compensation Plan (incorporated by reference to Exhibit 10(a)(ii) to the Registrant's Annual Report on Form 10-K for the year 1994).*	
10(b)(ii)	Amendment No. 1 to TI Deferred Compensation Plan (incorporated by reference to Exhibit 10(a)(iii) to the Registrant's Annual Report on Form 10-K for the year 1994).*	
10(c)	Texas Instruments Long-Term Incentive Plan (incorporated by reference to Exhibit 10(a)(ii) to the Registrant's Annual Report on Form 10-K for the year 1993).*	
10(d)	Texas Instruments Restricted Stock Unit Plan for Directors (incorporated by reference to Exhibit 10(c) to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995).	
10(e)	Statement of Policy of Registrant's Board of Directors on Top Officer and Board Member Retirement Practices (incorporated by reference to Exhibit 10(b)(vi) to the Registrant's Annual Report on Form 10-K for the year 1993).*	
11	Computation of earnings per common and common equivalent share.	E
12	Computation of Ratio of Earnings to Fixed Charges and Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends.	E

13	Registrant's 1995 Annual Report to Stockholders. (With the exception of the items listed in the index to financial statements and financial statement schedules herein, and the items referred to in ITEMS 1, 5, 6, 7 and 8 hereof, the 1995 Annual Report to Stockholders is not to be deemed filed as part of this report.)	E
21	List of subsidiaries of the Registrant.	E
23	Consent of Ernst & Young LLP.	E
24	Powers of Attorney.	E
27	Financial Data Schedule.	E

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*Executive Compensation Plans and Arrangements:

Texas Instruments Annual Incentive Plan as amended November 30, 1995.

TI Deferred Compensation Plan (incorporated by reference to Exhibit 10(a)(ii) to the Registrant's Annual Report on Form 10-K for the year 1994).

Amendment No. 1 to TI Deferred Compensation Plan (incorporated by reference to Exhibit 10(a)(iii) to Registrant's Annual Report on Form 10-K for the year 1994).

Texas Instruments Long-Term Incentive Plan (incorporated by reference to Exhibit 10(a)(ii) to the Registrant's Annual Report on Form 10-K for the year 1993).

Statement of Policy of Registrant's Board of Directors on Top Officer and Board Member Retirement Practices (incorporated by reference to Exhibit 10(b)(vi) to the Registrant's Annual Report on Form 10-K for the year 1993).

Exhibit 10(a)

TEXAS INSTRUMENTS ANNUAL INCENTIVE PLAN
As Amended November 30, 1995

The Texas Instruments Annual Incentive Plan is designed to provide an additional incentive for those employees who are key to the Company's success in the highly technological and competitive industries in which it operates. The Plan provides for rewarding certain employees by awards for outstanding ability and exceptional service based upon the individual's contribution to the Company.

For purposes of the Plan unless otherwise indicated, the term "Company" shall mean Texas Instruments Incorporated and its subsidiaries of which substantially all of the voting stock is owned directly or indirectly by Texas Instruments.

Eligibility

The employees of the Company eligible to receive awards under the Plan shall consist of the group of employees (including officers and directors) in management or other key positions specified for each year by the Committee described below and such other employees as said Committee may designate for such year. If an employee takes an approved leave of absence or dies prior to a determination of awards to be made under the Plan for a year in which the employee was eligible to receive awards under the Plan, such employee on leave or the estate of such deceased employee shall be eligible to receive awards under the Plan for such year. Directors who are not full-time or part-time officers or employees are not eligible to participate in the Plan.

Administration of Plan

The Plan shall be administered by a Committee of the Board of Directors which shall be known as the Compensation Committee (the Committee) which shall be appointed by a majority of the whole Board and shall consist of not less than three directors. The Board may designate one or more directors as alternate members of the Committee, who may replace any absent or disqualified member at any meeting of the Committee. A director may serve as a member or alternate member of the Committee only during periods in which he is a "disinterested person" as described in Rule 16b-3 under the Securities Exchange Act of 1934, as in effect from time to time. No member or alternate member of the Committee shall be eligible, while a member or alternate member, for participation in the Plan. The Committee shall have full power and authority to construe, interpret and administer the Plan. It may issue rules and regulations for administration of the Plan. It shall meet at such times and places as it may determine. A majority of the members of the Committee shall constitute a quorum and all decisions of the Committee shall be final, conclusive and binding upon all parties, including the Company, the stockholders and the employees.

The Committee shall have the full and exclusive right to make awards under the Plan except as otherwise expressly provided in this Plan. In determining the selection of recipients and the amount or form of any award, the Committee shall take into consideration the contribution of the recipients during the fiscal year to the Company's success and such other factors as the Committee shall determine. The Committee shall have the authority to consult with and receive recommendations from officers or other executives of the Company with regard to these matters.

The Committee may delegate such power, authority and rights with respect to the administration of the Plan as it deems appropriate to one or more members of the management of the Company (including, without limitation, a committee of one or more members of management appointed by the Committee); provided, however, that the Committee shall have the exclusive right to make awards to employees who are directors or officers of the Company, and that any delegation to management shall conform with the requirements of the General Corporation Law of Delaware, as in effect from time to time.

Expenses of Administration

The expenses of the administration of this Plan, including the dividend equivalents and interest provided in the Plan, shall be borne by the Company and none of them shall be charged against the Incentive Reserve described below.

Amendments

The Board of Directors of the Company may, at any time and from time to time, alter, amend, suspend or terminate the Plan or any part thereof as it may deem proper and in the best interests of the Company, provided, however, that no such action shall affect or impair the rights under any award theretofore granted under the Plan, except that in the case of an employee employed outside the United States (or his beneficiary) the Board may vary the provisions of the Plan as it may deem appropriate to conform with local laws, practices and procedures. Further, unless the stockholders of the Company shall have first approved thereof, no amendment shall be made which shall increase the maximum amount which may be credited to the Incentive Reserve described below in any year.

Awards

Awards may be made from time to time during each year under the Plan by the Committee or its delegate(s) in amounts which do not exceed the amount then available in the Incentive Reserve described below. Such awards may be denominated in cash, in shares of the Company's common stock, or both, and may be payable in cash or shares, or both, as the Committee may determine.

Scope of the Plan

The Committee shall have the power, in its sole discretion, to determine what payments to eligible employees shall be deemed to be incentive compensation for the purposes of this Plan. Awards under the Company's Patent Incentive Award program shall be deemed not to have been made under this Plan and payments under the Patent Incentive Award program shall not be charged to the Incentive Reserve described below. Payments under any incentive plans which operational organizations of the Company may have from time to time to any employees who are then eligible to receive awards under this Plan shall be charged to the Incentive Reserve described below. Special payments to employees involved in unusual transactions (including, without limitation, a sale of a portion of the business of the Company) shall not be charged to the Incentive Reserve described below unless otherwise determined by the Committee. Nothing in this Plan shall be construed as preventing the Company from having from time to time incentive or other variable compensation plans applicable to employees who are not then eligible to participate in this Plan, and payments of incentive or other variable compensation under such plans to such employees shall not be charged to the Incentive Reserve described below.

Incentive Reserve

For the calendar year 1965 and each of the calendar years thereafter, the Board of Directors shall cause to be credited to an Incentive Reserve (hereinafter called the Reserve) an amount determined as follows:

> 10% of the amount by which the Company's net income for such year exceeds 6% of net capital but not in excess of the amount paid out as dividends on the common stock of the Company during such year, except that the Board may in its discretion direct that a lesser amount be credited.

As used in this Plan

1. "Net income" shall mean the amount reported as net income in the annual statement of income for the year as shown by the annual report to stockholders plus interest on long-term debt and amounts credited to the Reserve for such year.

2. "Net capital" shall mean the total of stockholders' equity plus long-term debt (less current portion) as shown on the balance sheet as of the end of the year preceding the year for which net income, as above, is determined plus treasury stock held for the purposes of this Plan.

As soon as practicable after the end of each year, the Company's independent auditors shall determine and report to the Board of Directors the maximum amount creditable to the Reserve for that year under the provisions of this Plan. The Board shall determine the amount to be credited to the Reserve for such year. Prior to receipt of such report of the auditors, the Board may make such determination based on an estimate made by the Company's Chief Financial Officer of the maximum amount creditable, provided that such a determination shall be effective only upon receipt of the auditors' report by the Secretary of the Board of Directors and only to the extent of the maximum amount creditable to the Reserve, as reported by the auditors. The amount determined by the Board shall be credited to the Reserve as of the close of the year. The Committee shall promptly be advised of the amount so credited to the Reserve and of the total amount available in the Reserve (after deducting any unpaid installments of incentive awards previously granted).

The Committee shall make a determination of awards to be made under the Plan for each year at such time or times as the Committee shall deem appropriate. The aggregate of such awards may be less than, but shall not exceed, the total amount available in the Reserve, except that, after the end of a year and prior to the Board's determination of an amount to be credited to the Reserve for that year, the Committee may make awards in excess of the amount available in the Reserve if such awards are made payable only if an amount adequate to cover such awards is first credited to the Reserve for such year.

If the aggregate of the awards determined by the Committee to be made under the Plan for a given year shall at any time be less than the total amount available in the Reserve, the Committee may at any time or times determine that additional awards be made under the Plan for such year, provided that the aggregate of all awards for such year shall not exceed the total amount available in the Reserve, and that all awards for such year shall be determined on or before December 31 of the following year.

If (i) the amount determined and reported by the Company's independent auditors as the maximum amount creditable to the Reserve for any year shall for any reason later prove to have been overstated and (ii) the amount credited to the Reserve at the close of such year was in excess of the revised maximum amount creditable to the Reserve for that year, then the amount available at that time or subsequently in the Reserve shall be reduced by the amount of such excess. Thus excess credits to the Reserve resulting from such overstatement shall be corrected exclusively by adjustment of the Reserve then or subsequently available and not by recourse to any person.

Any balance remaining in the Reserve after making awards for any year shall continue in the Reserve and be available for awards for future years except to the extent otherwise directed by the Committee. Any payments that are made by the Company, and any incentive awards that are granted by, or become obligations of, the Company, through the assumption by the Company of, or in substitution for, outstanding awards previously granted by an acquired company shall not, except in the case of payments made to or incentive awards granted to employees who are officers or directors of the Company for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, be charged to the Reserve.

Payment of Awards

Incentive awards may be made in cash or in Texas Instruments common stock, or partly in cash and partly in stock as the Committee in its discretion may determine. Incentive awards made wholly or partly in stock, or any installments thereof, may be paid wholly or partly in cash as the Committee in its discretion may determine.

The Company shall make available as and when required a sufficient number of shares of its common stock for the purpose of this Plan. Such common stock shall be either authorized and unissued shares or treasury stock.

Authorized and unissued shares and treasury stock shall be valued for the purpose of awards and charged to the Reserve at the simple average of the high and the low prices of Texas Instruments common stock on the Composite Tape on the date the awards are made by the Committee (or if there shall be no trading on that date, then on the first previous date on which there is such trading). Authorized and unissued shares and treasury stock shall be valued for the purpose of payments in cash of awards made in stock, at the simple average of the high and the low prices of Texas Instruments common stock on the Composite Tape on the payment date (or if there shall be no trading on that date, then on the first previous date on which there is such trading).

The Committee may direct the awards to the participants or any of them for any year to be paid in a single amount or in installments of equal or varying amounts and may prescribe such terms and conditions concerning payment of such installments as it deems appropriate, including completion of specific periods of employment with the Company or achievement of specific goals established by the Committee, as it deems appropriate, provided that such terms and conditions are not more favorable to a participant than those expressly set forth in this Plan. The Committee may determine that dividend equivalents or interest, as applicable, will be payable with respect to any installments of any award. The Committee may at any time after an incentive award is made amend any such direction and may amend or delete any such terms and conditions concerning payment of installments, if the Committee deems it appropriate.

When the obligation to pay an installment or installments of an award has terminated for any reason, the amounts relating to such installment or installments shall be added back to the Reserve and shall be available for use under this Plan.

Appropriate adjustments in incentive awards payable in Texas Instruments common stock shall be made to give effect to any mergers, consolidations, acquisitions, stock splits, or other relevant changes in capitalization occurring after the effective date of this Plan; however, no fractional shares shall be distributed.

Payments of awards to employees of subsidiaries of the Company shall be paid directly by such subsidiaries.

Withholding

Whenever a participant is obligated to pay to the Company an amount required to be withheld under applicable income tax laws in connection with the payment of stock pursuant to an award under this Plan, such payment may be made (a) in cash, or (b) to the extent from time to time approved by the Committee, (i) in Texas Instruments common stock or (ii) partly in cash and partly in Texas Instruments common stock. For purposes of any payment in Texas Instruments common stock, such stock shall be valued at the simple average of the high and low prices of Texas Instruments common stock on the Composite Tape on the date that the payment in stock becomes taxable (or if there is no trading on that date, then on the first previous date on which there is such trading).

EXHIBIT 11

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

	Years ended December 31		
	1995	1994	1993
Income before cumulative effect of accounting changes	$1,088,101	$ 690,902	$ 476,226
Less preferred dividends accrued:			
Market auction preferred	-	-	(2,043)
Money market preferred	-	-	(2,028)
Series A conversion preferred	-	-	(16,097)
Add:			
Dividends on Series A conversion preferred shares assumed converted	-	-	16,097
Interest, net of tax and profit sharing effect, on convertible debentures assumed converted	1,582	2,413	2,681
Adjusted income before cumulative effect of accounting changes	1,089,683	693,315	474,836
Cumulative effect of accounting changes	-	-	(4,173)
Adjusted net income	$1,089,683	$ 693,315	$ 470,663
Earnings per Common and Common Equivalent Share:			
Weighted average common shares outstanding	187,644	184,124	171,901
Weighted average common equivalent shares:			
Stock option and compensation plans	3,127	2,379	2,643
Convertible debentures	2,860	4,352	4,827
Series A conversion preferred	-	-	7,840
Weighted average common and common equivalent shares	193,631	190,855	187,211
Earnings per Common and Common Equivalent Share:			
Income before cumulative effect of accounting changes	$ 5.63	$ 3.63	$ 2.54
Cumulative effect of accounting changes	-	-	(.03)
Net Income	$ 5.63	$ 3.63	$ 2.51
Earnings per Common Share Assuming Full Dilution:			
Weighted average common shares outstanding	187,644	184,124	171,901
Weighted average common equivalent shares:			
Stock option and compensation plans	3,215	2,399	2,786
Convertible debentures	2,860	4,352	4,827
Series A conversion preferred	-	-	7,840
Weighted average common and common equivalent shares	193,719	190,875	187,354
Earnings per Common Share Assuming Full Dilution:			
Income before cumulative effect of accounting changes	$ 5.63	$ 3.63	$ 2.53
Cumulative effect of accounting changes	-	-	(.02)
Net income	$ 5.63	$ 3.63	$ 2.51

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)

	1991	1992	1993	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..........	$ (250)	$ 433	$ 755	$1,098	$1,679
Add interest attributable to rental and lease expense................	43	42	38	40	41
	$ (207)	$ 475	$ 793	$1,138	$1,720
Fixed charges:					
Total interest on loans (expensed and capitalized)..........................	$ 59	$ 57	$ 55	$ 58	$ 69
Interest attributable to rental and lease expense........................	43	42	38	40	41
Fixed charges................................	$ 102	$ 99	$ 93	$ 98	$ 110
Combined fixed charges and preferred stock dividends:					
Fixed charges............................	$ 102	$ 99	$ 93	$ 98	$ 110
Preferred stock dividends (adjusted as appropriate to a pretax equivalent basis)................	34	55	29	--	--
Combined fixed charges and preferred stock dividends..............	$ 136	$ 154	$ 122	$ 98	$ 110
Ratio of earnings to fixed charges...........	*	4.8	8.5	11.6	15.6
Ratio of earnings to combined fixed charges and preferred stock dividends............................	**	3.1	6.5	11.6	15.6

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

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

Exhibit 13

To Our Stockholders

Nineteen ninety-five was an outstanding year for our company. We capitalized on strong semiconductor operating performance and robust worldwide semiconductor market growth to produce the best financial results in company history. The people of TI improved productivity by more than 25 percent, measured in net revenue per employee. We gained significant recognition for operational excellence, including the European Quality Award, the Singapore Quality Award, and the U.S. Office of Naval Research Best Manufacturing Practices Center of Excellence Award. We laid the foundation for moderate growth in our defense business.

We also established a new vision for Texas Instruments - one that will reshape our company over the next decade.

Financial highlights. TI's revenues in 1995 were $13.1 billion, up 27 percent from 1994. Net income was up 57 percent, exceeding $1 billion for the first time, and earnings per share were up 55 percent, to $5.63.

Semiconductor revenues and profits reached record levels, and productivity improvements in this business generated output equivalent to the capacity of one major wafer-fabrication facility for the second consecutive year. Shorter cycle times and the Defense Department's movement toward commercial practices helped support an improving revenue trend and stable margins in defense systems and electronics. TI's materials and controls business experienced solid growth and record revenues for the second consecutive year. Revenues in TI's mobile computing business were up substantially in the fourth quarter of 1995, reflecting strong customer reception of the Extensa TM line of value-priced notebook computers. Our calculator business experienced a record year, extending its leadership in instructional calculators. Our software business took actions to streamline operations and focus on strategic areas.

The road ahead. Even as we were achieving these impressive results, we were also setting in place the goals and roadmaps that will lead our company into the 21st century.

In our annual report a year ago, we described how the digital revolution is changing the way people live, learn, and work. If anything, the pace of that revolution

accelerated in 1995. During the year, we worked to identify the longer term market environment, the core competencies required to meet our customers' needs, and the principles that will guide our behavior as we work toward our goals. Out of this strategy process, we established a new goal for Texas Instruments: World Leadership in Digital Solutions for the Networked Society.

- World leadership, because the markets we serve are global. Our customers and suppliers, the end users of our products, our employees, and even our stockholders are in all parts of the world, and we must maintain a deep appreciation of the world's different cultures to succeed.

  Our goal of world leadership is not limited to our products; we also recognize that as one of the world's leading technology companies, we share responsibility for championing a global economic and political environment in which the networked society can flourish.

- Digital solutions describes both our products and services, and our relationship with our customers. TI's products and services are based on the collection, processing, transmission, and display of digital information. We work in partnership with customers and suppliers to create solutions that make it easy for people to connect with each other and with information.

- Our customers and the end users of our products are part of a growing worldwide networked society, in which hardware, software, networks, and services are connecting people and information in unprecedented ways.

Why a new set of goals and strategies now? First, although TI's financial performance has improved substantially in the last three years, we believe that we have only begun to tap TI's true potential. We believe that the successful execution of our new strategy will lead to financial performance that better reflects our capabilities and the growth of our markets. Second, we bring unique strengths to dynamic and growing markets. We have a strong position in technologies that are the fundamental enablers of the networked society, including semiconductors, signal processing, mobile computing, wireless communications, networking, and digital imaging.

As we achieve this new goal, we will be a fundamentally stronger company than the TI of today.

We will be one company, with multiple businesses focused on a common objective. We will make the most of TI's strengths across the company, and we will allocate resources based on our ability to compete and win at the company level. We will focus on businesses that expand TI's core competencies in microelectronics, signal processing and software, in markets where we have the clear opportunity to be recognized among the industry leaders.

We will develop a superior marketing culture. The essence of this culture is innovation driven by market foresight - a commitment to go beyond giving customers what they want, in order to build entirely new markets around a deep understanding of end users' current and future needs.

TI's most successful businesses couple market foresight with our technology strengths to provide unique solutions. These include digital signal processing solutions in high-speed modems, high-speed disk drives, and wireless communications; precision guidance and night-vision technologies for defense systems; and instructional calculators for the education market. The common denominator in these successes has been high market share and above-average returns. We will build future business strategies on this model.

We will focus on high-growth markets. Over the past three decades, the world semiconductor market has grown at an average rate of about 15 percent per year. The semiconductor content of electronic end equipment is increasing rapidly, and new semiconductor markets rapidly emerging in Asia will rival in size the markets of Japan and the United States in the next decade. Because of these factors, we believe that the world semiconductor market will grow at an average rate of 20 percent or more per year for the remainder of the decade, including 1996. In the near term, TI will be affected by inventory corrections and pricing pressure in certain areas of the semiconductor market.

We will invest to win. To accelerate the company's future growth, TI plans to increase capital expenditures in 1996 to about $2.5 billion, up significantly from $1.4 billion in 1995. TI research and development will be increased in 1996 to about $1.1 billion to support targeted opportunities in digital signal processing solutions, advanced memory

[Picture of students from Gunter High School in North Texas describing to (left to right) Jerry Junkins, Pat Weber and Bill Mitchell their first-place winning entry in a TI-sponsored program, the Texas BEST (Boosting Engineering, Science and Technology) competition, where students use hardware and electronic parts to create remote-controlled robots. Sponsorship of the program is part of TI's commitment to quality education.]

and microprocessors, digital imaging technology, and wireless transmission of video, voice and data.

Summary and outlook. For the last three years, the world semiconductor market has grown at an average annual rate of more than 30 percent. Although we appear to be entering a period of slower semiconductor industry growth in the short term, we intend to step up our investments to strengthen TI's long-term position and to build on the gains we've made during the last three years.

Our progress has provided a solid foundation. But with all that we have achieved in the past, the most exciting part of TI's story is still ahead. The networked society offers boundless opportunities for our technology and our creativity. TI's core competencies and technologies play right at the heart of the digital revolution. We are in an industry that has the opportunity to grow faster in the next decade than it has in its previous 30-year history. And TI is better positioned in products and technologies, in our global presence, and in our commitment to customers than ever before.

We would like to thank all TI people around the world, whose individual and collective efforts produced outstanding results in 1995 and laid a strong foundation for the future. Without question, TI owes its success to the thousands of TI people who are making the networked society come to life. This is why we will continue to develop our skills, ensure that we have the best tools to do the job, develop our leadership, and make the most of our teams. Every day matters as we work toward World Leadership in Digital Solutions for the Networked Society.

/s/ Jerry R. Junkins	/s/ William B. Mitchell	/s/ William P. Weber
Jerry R. Junkins	William B. Mitchell	William P. Weber
Chairman, President and Chief Executive Officer	Vice Chairman	Vice Chairman

David R. Goode, Chairman, President and Chief Executive Officer of Norfolk Southern Corporation, has been elected a director of Texas Instruments.

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We were profoundly saddened by the death on September 1, 1995, of TI founder J. Erik Jonsson. Erik served TI and its predecessor company, Geophysical Service, for more than 50 years as president, chairman, honorary director, and member of the Board Advisory Council.

Erik was a man of great vision. He embodied the strong ethical and business principles on which TI is based. He will be remembered for his integrity, his gentle nature, his wisdom, and his generosity in business, civic, cultural, educational, and humanitarian endeavors.

Summary of Selected Financial Data

Years ended December 31	1995	1994	1993	1992	1991
Millions of Dollars					
Net revenues	$ 13,128	$ 10,315	$ 8,523	$ 7,440	$ 6,784
Operating costs and expenses	11,534	9,232	7,795	7,020	7,033
Profit (loss) from operations	1,594	1,083	728	420	(249)
Other income (expense) net	73	4	15	-	(14)
Interest on loans	48	45	47	51	41
Income (loss) before provision for income taxes and cumulative effect of accounting changes	1,619	1,042	696	369	(304)
Provision for income taxes	531	351	220	122	105
Income (loss) before cumulative effect of accounting changes	1,088	691	476	247	(409)
Cumulative effect of accounting changes	-	-	(4)	-	-
Net income (loss)	$ 1,088	$ 691	$ 472	$ 247	$ (409)
Earnings (loss) per common and common equivalent share:					
Income (loss) before cumulative effect of accounting changes	$ 5.63	$ 3.63	$ 2.54	$ 1.25	$ (2.70)
Cumulative effect of accounting changes	-	-	(0.03)	-	-
Net income (loss)	$ 5.63	$ 3.63	$ 2.51	$ 1.25	$ (2.70)
Dividends declared per common share	$ .64	$ .47	$ .36	$ .36	$ .36
Average common and common equivalent shares outstanding during year, in thousands	193,631	190,855	187,211	170,621	163,941

As of December 31	1995	1994	1993	1992	1991
Millions of Dollars					
Working capital	$ 2,330	$ 1,818	$ 1,313	$ 961	$ 813
Property, plant and equipment (net)	3,187	2,568	2,203	2,133	2,354
Total assets	9,215	6,989	5,993	5,185	5,009
Long-term debt	804	808	694	909	896
Stockholders' equity	4,095	3,039	2,315	1,947	1,955
Employees	59,574	56,333	59,048	60,577	62,939
Stockholders of record	30,034	28,740	29,129	31,479	35,162

See Notes to Financial Statements and Management Discussion and Analysis of Financial Condition and Results of Operations.

Management Discussion and Analysis of Financial Condition and Results of Operations

The management discussion and analysis of the company's financial condition and results of operations consists of the letter to stockholders set forth on pages 3 through 7 of this report and the following additional information:

Segment	Change in orders 1995 vs. 1994	Change in net revenues 1995 vs. 1994
Components..........................	+45%	+39%
Defense Systems & Electronics........	- 2%	+ 1%
Digital Products....................	+14%	+11%
Total............................	+32%	+27%

1995 Results of Operations Compared with 1994

TI's orders for 1995 were $13.7 billion, up 32 percent from $10.4 billion in 1994. Significantly higher semiconductor orders in the components segment were the primary contributor to the change.

TI's net revenues for 1995 were $13.1 billion, up 27 percent from $10.3 billion in 1994. The increase was due primarily to higher semiconductor revenues in the components segment, resulting from increased shipments and new products. Demand was particularly strong for digital signal processors, mixed-signal products and memory. Profit from operations was $1594 million, up 47 percent from $1083 million in 1994. Higher semiconductor operating profits accounted for much of the increase; higher royalties also contributed. Results for 1995 include a profit sharing accrual of $324 million compared with $175 million accrued in 1994. Results for 1994 included $132 million in pretax restructuring and divestiture charges taken in the first quarter.

Net income for the year was $1088 million, compared with $691 million in 1994, an increase of 57 percent. Earnings per share, after the effect of the two-for-one stock split announced June 15, 1995, were $5.63, versus $3.63 for 1994. Consistent with its goal of increasing shareholder value, TI posted a return on invested capital (ROIC) of 24.8 percent, up from 19.5 percent in 1994.

Results for 1995 include significantly higher royalty revenues.

TI's backlog of unfilled orders as of December 31, 1995, was $4528 million, up $615 million from the end of 1994, due to an increase in semiconductor backlog.

TI R&D was $927 million for 1995 compared with $689 million in 1994. Capital expenditures were $1439 million in 1995, compared with $1076 million in 1994.

To accelerate the company's future growth, TI plans to increase capital expenditures in 1996 to about $2.5 billion, and R&D will be increased in 1996 to about $1.1 billion to support targeted opportunities in digital signal processing solutions, advanced memory and microprocessors, digital imaging technology, and wireless transmission of video, voice and data.

Depreciation for 1995 was $756 million, compared with $665 million in 1994. Depreciation in 1996 is expected to be about $1 billion.

Components Segment: Orders in the components segment were up 45 percent for the year, and revenues up 39 percent from 1994, with particular strength in semiconductors, which grew faster than the segment. Components segment profits were up 66 percent, primarily due to improved semiconductor manufacturing productivity and higher royalties.

Semiconductor orders in the fourth quarter of 1995 were up strongly from a year ago, but down slightly from the prior

[Net Revenues Graph showing $13.1 billion in net revenues in 1995, $10.3 billion in net revenues in 1994, and $8.5 billion in net revenues in 1993. Includes a caption which reads as follows: "Net revenues increased 27% in 1995 and 21% in 1994. The increase in 1995 was due primarily to higher semiconductor revenues in the components segment."]

[Profit from Operations Graph showing $1,594 million of profit from operations in 1995, $1,083 million of profit from operations in 1994, and $728 million of profit from operations in 1993. Includes a caption which reads as follows: "Profit from operations increased 47% in 1995 and 49% in 1994. Higher semiconductor profits accounted for much of the increase; higher royalties also contributed."]

quarter, reflecting some buildup in customer inventories of semiconductors and pricing pressures, particularly for dynamic random access memories (DRAMs) and standard logic products. Semiconductor revenues reached record levels for the year, primarily due to growth in memory and application specific products. Profits, up substantially in 1995 over 1994, also reached record levels. Semiconductor operating margins improved in 1995, primarily due to increased manufacturing productivity.

In the near term, TI will be affected by inventory corrections and pricing pressures in certain areas of the semiconductor market. The company's DRAM joint ventures, which produce about 75 percent of the DRAMs marketed by TI, will help reduce the volatility of these market conditions on TI. However, costs associated with new semiconductor wafer fabrication facilities will impact the first half of 1996, with little incremental revenue to offset these costs until the second half of the year. TI believes that industry demand for memory will continue to experience solid growth in 1996, despite near-term inventory corrections and price declines.

Over the past three decades, the world semiconductor market has grown at an average rate of about 15 percent per year. The semiconductor content of electronic end equipment is increasing rapidly, and new semiconductor markets are rapidly emerging in Asia that will rival the size of major markets like Japan and the U.S. in the next decade. Because of these factors, TI believes the world semiconductor market will grow on average 20 percent or more per year, including 1996.

Defense Systems & Electronics Segment: In TI's defense systems and electronics segment, 1995 orders, revenues and margins were essentially flat with 1994.

For 1995, increased shipments of Paveway weapons and emerging programs more than offset reduced shipments of HARM missiles. Success in 1995 lays the foundation for moderate growth for this business in the future.

During 1995, TI completed three small defense acquisitions that will strengthen the company's capabilities in mission planning, logistics management and digital battlefield technologies.

Digital Products Segment: Orders in TI's digital products segment were up 14 percent in 1995, and revenues up 11 percent, compared with 1994. The segment operated at a loss during the year, due to increased marketing expenses and intense price competition in notebook computers, as well as continued investments and new product development in communications and electronic systems, and in the software business.

TI significantly increased marketing investments in the notebook computer business to increase brand awareness and aggressively communicate a strategic shift that emphasizes mobility and connectivity in the networked society. These investments, coupled with intense price competition, caused the business to operate at a loss for the year. The high levels of marketing investment and new product development necessary to improve the competitiveness of this business are expected to constrain its near-term financial performance. TI software also operated at a loss for the year.

[1995 Segment Net Revenues Pie Chart showing that 72% or $9,480 million of 1995 net revenues were from the components segment, 13% or $1,740 million of 1995 net revenues were from the defense systems & electronics segment, 14% or $1,852 million of 1995 net revenues were from the digital products segment, and 1% or $183 million of 1995 net revenues were from the metallurgical materials segment. Includes a caption which reads as follows: "Record semiconductor revenues within the components segment were due primarily to growth in memory and application specific products."]

[Capital Expenditures Graph showing $1,439 million of capital expenditures in 1995, $1,076 million of capital expenditures in 1994, and $730 million of capital expenditures in 1993. Includes a caption which reads as follows: "To accelerate the company's future growth, TI plans to increase capital expenditures in 1996 to about $2.5 billion, up significantly from $1.4 billion in 1995."]

Subsequent to year-end 1995, the company reached an agreement to sell substantially all of its custom manufacturing services business.

Intellectual Property: TI previously reported that most of the company's semiconductor patent-license agreements would expire at the end of 1995 or early in 1996. Remaining licenses, which have expiration dates ranging from 1998 to 2001, will provide ongoing royalties, and TI continues to expect a significant ongoing stream of royalty revenue throughout the remainder of the decade.

As previously announced, four licenses expired at the end of 1995. TI does not accrue royalties in the absence of agreements. Accrued royalty revenue from these licenses contributed about $108 million to revenues in the fourth quarter of 1995, principally attributable to Samsung Electronics Co., Ltd. of Korea. These licenses, except for the license with Fujitsu Limited of Japan, have not yet been renewed. The new license with Fujitsu runs until the end of 2005 and, like the expired license, excludes TI's Kilby patent. Annual payments to TI under the new license will be substantially greater than the annual payments under the prior license. Payments from Fujitsu do not represent a significant portion of TI's total royalty revenue.

Additionally, several licenses will expire at the end of the first quarter of 1996. Royalty revenue from these licenses was about $40 million in the fourth quarter of 1995. The expiration of these licenses will have no effect on first quarter 1996 royalty revenue.

Negotiations continue for renewal of expired and expiring licenses. Also, the company will continue negotiations with computer manufacturers in an effort to reach additional computer systems licenses. However, these negotiations by their nature are not predictable as to outcome or timing.

As previously announced, following extensive negotiations with Samsung and the expiration of its license, TI filed suit against Samsung and its two U.S. subsidiaries, charging them with patent infringement. In addition to unspecified monetary damages, TI is asking the court to issue a permanent injunction barring Samsung from using TI's patents. The litigation was filed in the Federal District Court for the Eastern District of Texas, Marshall Division, alleging violation of several patents involved in the manufacture of semiconductor devices, including DRAMs.

Samsung has filed suit against TI in the Federal District Court for the Northern District of Texas, Dallas Division, alleging that TI infringes several Samsung patents, seeking declaratory judgment that several TI patents are invalid or not infringed, and alleging unfair trade practice in TI's licensing policy. Separately, TI and Samsung have filed complaints with the International Trade Commission.

Also as previously reported, in 1994, the district court in Tokyo ruled that Fujitsu's production of 1-megabit and 4-megabit DRAMs and 32K EPROMs does not infringe the company's Kilby patent. The company has appealed the court's decision to the Tokyo High Court. The decision should not have any significant effect on existing licenses. As in prior years, TI's negotiations for renewal of expired and expiring licenses are dependent on the strength of the company's entire patent portfolio and not any single patent.

[Research and Development Expense Graph showing $927 million in research and development expense in 1995, $689 million in research and development expense in 1994, and $590 million in research and development expense in 1993. Includes a caption which reads as follows: "R&D will be increased in 1996 to about $1.1 billion to support targeted opportunities, such as digital signal processing solutions and digital imaging technology."]

[Debt-to-Total-Capital Ratio Graph showing a .17 debt-to-total-capital ratio for 1995, a .21 debt-to-total-capital ratio for 1994, and a .28 debt-to-total-capital ratio for 1993. Includes a caption which reads as follows: "Despite an aggressive capital expenditure program, TI's financial condition remains strong as reflected in its debt-to-total-capital ratio."]

Financial Condition: TI's financial condition remains strong. Cash flow from operating activities net of additions to property, plant and equipment was a positive $228 million for year 1995. During the year, cash and cash equivalents plus short-term investments increased by $263 million to $1553 million. In January 1995 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 year-end 1995 debt-to-total-capital ratio of .17 is down .04 from the year-end 1994 value.

Unused authorizations for future capital expenditures were $1654 million at December 31, 1995. TI plans to raise capital expenditures in 1996 to about $2.5 billion, up from $1.4 billion in 1995. The company is considering various debt financing alternatives in addition to existing cash balances as sources of funding for these expenditures. In this regard, on February 2, 1996, the company issued $300 million of 6.125 percent notes due 2006.

The company maintains unused lines of credit to support commercial paper borrowing and to provide additional liquidity. Unused lines of credit were approximately $538 million at December 31, 1995. Of this amount, $440 million was available to support commercial paper borrowing.

The company believes that its financial condition provides the foundation for continued support of the programs essential to TI's future.

1994 Results of Operations Compared with 1993

TI's orders for 1994 were $10.4 billion, up 21 percent from $8.6 billion in 1993. Significantly higher semiconductor orders in the components segment were the primary contributor to the change. Defense systems and electronics orders increased due primarily to the timing of orders.

TI's net revenues for 1994 were $10.3 billion, up 21 percent from $8.5 billion in 1993. The increase was due primarily to higher semiconductor revenues in the components segment, resulting from increased shipments and new products. Profit from operations was $1083 million in 1994, up 49 percent from $728 million in 1993. Higher semiconductor operating profits accounted for much of the increase; higher royalties also contributed. Results for 1994 included a profit-sharing accrual of $175 million compared with $83 million accrued in 1993.

Net income for the year was $691 million, compared with $472 million for 1993.

Results for the year included one-time royalty revenues of $73 million, compared with $90 million in 1993. Results also included $132 million in pretax restructuring and divestiture charges taken in the first quarter of 1994, compared with $23 million in pretax consolidation charges taken in the fourth quarter of 1993.

The income tax provision for 1994 was for U.S. and non-U.S. taxes. Non-U.S. taxes included a benefit from tax loss carry forward utilization reduced by certain non-U.S. taxes and losses for which no benefit was recognized. TI's income tax rate for the year was 33.7 percent. For 1993, the provision was net of an increase in deferred tax assets for the effect of the increase in the U.S. statutory rate.

TI's backlog of unfilled orders as of December 31, 1994, was $3913 million, up $108 million from the end of 1993, due to increases in semiconductor backlog.

TI R&D was $689 million for 1994, compared with $590 million for 1993. Customer-funded R&D was $356 million in 1994, compared with $391 million in 1993.

Capital expenditures were $1076 million in 1994, compared with $730 million in 1993.

Depreciation for 1994 was $665 million, compared with $617 million in 1993.

Components Segment: Orders in the components segment were up 27 percent for the year, and revenues up 33 percent, from 1993. Components segment profit increased substantially, primarily because of improved semiconductor manufacturing productivity and higher royalties.

Defense Systems and Electronics Segment: In TI's defense systems and electronics segment, 1994 orders were up 11 percent from 1993 due to timing of orders. Revenues were down 7 percent from 1993, primarily because of reduced shipments of mature production programs. Margins for the year were essentially flat with 1993.

Digital Products Segment: Orders in TI's digital products segment were up 10 percent in 1994, and revenues up 14 percent, compared with 1993. The segment operated at a profit for the year, with royalty revenues and profits from the personal productivity products business more than offsetting the divestiture charges taken in the first quarter of 1994.

Intellectual Property: During 1994, TI reached new semiconductor patent-license agreements with Micron Technology Inc. and GoldStar Electron Co., Ltd.

Consolidated Financial Statements
(In millions of dollars, except per-share amounts)

Income	1995	1994	1993
	For the years ended December 31		
Net revenues	$13,128	$10,315	$8,523
Operating costs and expenses:			
Cost of revenues	9,318	7,471	6,274
Marketing, general and administrative	1,707	1,393	1,247
Employees' retirement and profit sharing plans	509	368	274
Total	11,534	9,232	7,795
Profit from operations	1,594	1,083	728
Other income (expense) net	73	4	15
Interest on loans	48	45	47
Income before provision for income taxes and cumulative effect of accounting changes	1,619	1,042	696
Provision for income taxes	531	351	220
Income before cumulative effect of accounting changes	1,088	691	476
Cumulative effect of accounting changes	-	-	(4)
Net income	$ 1,088	$ 691	$ 472
Earnings per common and common equivalent share:			
Income before cumulative effect of accounting changes	$ 5.63	$ 3.63	$ 2.54
Cumulative effect of accounting changes	-	-	(0.03)
Net income	$ 5.63	$ 3.63	$ 2.51

See accompanying notes.

Balance Sheet	December 31 1995	1994
Assets		
Current assets:		
Cash and cash equivalents	$1,364	$ 760
Short-term investments	189	530
Accounts receivable, less allowance for losses of $45 million in 1995 and $37 million in 1994	2,320	1,442
Inventories (net of progress billings)	1,135	882
Prepaid expenses	57	66
Deferred income taxes	453	337
Total current assets	5,518	4,017
Property, plant and equipment at cost	5,631	4,895
Less accumulated depreciation	(2,444)	(2,327)
Property, plant and equipment (net)	3,187	2,568
Deferred income taxes	229	243
Other assets	281	161
Total assets	$9,215	$6,989
Liabilities and Stockholders' Equity		
Current liabilities:		
Loans payable and current portion long-term debt	$ 27	$ 12
Accounts payable and accrued expenses	2,573	1,877
Income taxes payable	170	56
Accrued retirement and profit sharing contributions	418	254
Total current liabilities	3,188	2,199
Long-term debt	804	808
Accrued retirement costs	801	740
Deferred credits and other liabilities	327	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 - 189,526,939; 1994 - 92,786,992	190	93
Paid-in capital	1,081	1,041
Retained earnings	2,881	1,912
Less treasury common stock at cost. Shares: 1995 - 138,129; 1994 - 104,170	(12)	(6)
Other	(45)	(1)
Total stockholders' equity	4,095	3,039
Total liabilities and stockholders' equity	$9,215	$6,989

See accompanying notes.

Consolidated Financial Statements
(In millions of dollars, except per-share amounts)

Cash Flows	1995	1994	1993
	For the years ended December 31		
Cash flows from operating activities:			
Net income before cumulative effect of accounting changes	$1,088	$ 691	$ 476
Depreciation	756	665	617
Deferred income taxes	(46)	(12)	(59)
Net currency exchange losses	6	3	4
(Increase) decrease in working capital (excluding cash and cash equivalents, short-term investments, deferred income taxes, and loans payable and current portion long-term debt):			
Accounts receivable	(870)	(197)	(258)
Inventories	(253)	(60)	(88)
Prepaid expenses	9	(9)	(3)
Accounts payable and accrued expenses	677	330	37
Income taxes payable	112	(67)	27
Accrued retirement and profit sharing contributions	171	111	94
Increase (decrease) in noncurrent accrued retirement costs	(2)	(8)	21
Other	19	85	66
Net cash provided by operating activities	1,667	1,532	934
Cash flows from investing activities:			
Additions to property, plant and equipment	(1,439)	(1,076)	(730)
Purchases of short-term investments	(733)	(779)	(616)
Sales and maturities of short-term investments	1,076	732	635
Net cash used in investing activities	(1,096)	(1,123)	(711)
Cash flows from financing activities:			
Additions to loans payable	12	40	35
Payments on loans payable	-	(41)	(72)
Additions to long-term debt	24	1	14
Payments on long-term debt	(12)	(88)	(15)
Redemptions of auction-rate preferred stock	-	-	(150)
Dividends paid on common and preferred stock	(111)	(79)	(86)
Sales and other common stock transactions	111	110	100
Other	(1)	(2)	6
Net cash provided by (used in) financing activities	23	(59)	(168)
Effect of exchange rate changes on cash	10	6	(7)
Net increase in cash and cash equivalents	604	356	48
Cash and cash equivalents at beginning of year	760	404	356
Cash and cash equivalents at end of year	$1,364	$ 760	$ 404

See accompanying notes.

Stockholders' Equity	Market Auction/ Money Market Preferred Stock	Series A Conversion Preferred Stock	Common Stock	Paid-In Capital	Retained Earnings	Treasury Common Stock	Other
Balance, December 31, 1992.........	$ 150	$ 69	$ 83	$ 770	$ 916	$ (4)	$ (37)
1993							
Net income......................					472		
Dividends declared on:							
Market auction preferred stock.					(2)		
Money market preferred stock...					(2)		
Series A conversion preferred stock ($5.45 per share)......					(14)		
Common stock ($.36 per share)..					(63)		
Redemptions of auction-rate preferred stock...............	(150)						
Redemptions of Series A conversion preferred stock.....		(69)	6	63			
Common stock issued:							
To profit sharing trusts.......				13			
On exercise of stock options...			2	67		2	
Other stock transactions, net....				19		(3)	
Pension liability adjustment.....							27
Balance, December 31, 1993.........	-	-	91	932	1,307	(5)	(10)
1994							
Net income......................					691		
Dividends declared on common stock ($.47 per share).......					(86)		
Common stock issued:							
To profit sharing trusts.....				31			
On exercise of stock options.			2	60		3	
Other stock transactions, net..				18		(4)	
Pension liability adjustment...							10
Cash investments adjustment....							(1)
Balance, December 31, 1994.........	-	-	93	1,041	1,912	(6)	(1)
1995							
Net income......................					1,088		
Dividends declared on common stock ($.64 per share).........					(119)		
Two-for-one common stock split...			94	(94)			
Common stock issued:							
On exercise of stock options...			3	81		6	
On conversion of debentures....				20			
Other stock transactions, net....				33		(12)	
Pension liability adjustment.....							(45)
Cash investments adjustment......							1
Balance, December 31, 1995.........	$ -	$ -	$ 190	$1,081	$2,881	$ (12)	$ (45)

See accompanying notes.

Notes to Financial Statements Accounting Policies and Practices

Effective January 1, 1994, the company adopted SFAS No. 115, which required that cash equivalent and short-term investment debt securities be stated at fair value, instead of the lower of cost or fair value. This adoption had no material effect on the company's financial statements. Effective January 1, 1993, the company adopted SFAS No. 106, which required the accrual of expected retiree health care benefit costs during the employees' working careers, and SFAS No. 109, which required increased recording of deferred income tax assets. This resulted in a 1993 charge of $294 million ($1.57 per share) for SFAS No. 106 and a credit of $290 million ($1.54 per share) for SFAS No. 109, for the cumulative effect of the accounting changes.

The consolidated financial statements include the accounts of all subsidiaries. The preparation of financial statements requires the use of estimates from which final results may vary. Intercompany balances and transactions have been eliminated. The U.S. dollar is the functional currency for financial reporting. With regard to accounts recorded in currencies other than U.S. dollars, current assets (except inventories), deferred income taxes, other assets, current liabilities and long-term liabilities are remeasured at exchange rates in effect at year end. Inventories, property, plant and equipment and depreciation thereon are remeasured at historic exchange rates. Revenue and expense accounts other than depreciation for each month are remeasured at the appropriate month-end rate of exchange. Net currency exchange gains and losses from remeasurement and forward currency exchange contracts to hedge net balance sheet exposures are charged or credited on a current basis to other income (expense) net. Gains and losses from forward currency exchange contracts and interest rate swaps to hedge specific transactions are included in the measurement of the related transactions.

Inventories are stated at the lower of cost, current replacement cost or estimated realizable value. Cost is generally computed on a currently adjusted standard (which approximates current average costs) or average basis.

Revenues from semiconductor and other commercial products and services are generally recognized as products are shipped or services are rendered. Revenues under long-term fixed price and fixed-price incentive contracts are recognized as deliveries are made or as performance targets are achieved. Revenues under long-term cost reimbursement contracts are recorded as costs are incurred and include estimated earned fees. Royalty revenue is recognized by the company upon fulfillment of its contractual obligations and determination of a fixed royalty amount, or, in the case of ongoing royalties, upon sale by the licensee of royalty-bearing products, as estimated by the company.

Substantially all depreciation is computed by either the declining-balance method (primarily 150 percent declining method) or the sum-of-the-years-digits method. Fully depreciated assets are written off against accumulated depreciation.

Advertising costs are expensed as incurred. Advertising expense was $133 million and $88 million in 1995 and 1994.

Earnings per common and common equivalent share are based on average common and common equivalent shares outstanding (193,630,826 shares, 190,854,565 shares and 187,210,960 shares for 1995, 1994 and 1993). Shares issuable upon exercise of dilutive stock options and upon conversion of dilutive convertible debentures and, for 1993, conversion preferred stock are included in average common and common equivalent shares outstanding. In computing per-share earnings, net income is reduced by $20 million in 1993 for dividends accrued on preferred stock, and increased by $2 million in 1995 and 1994, and $19 million in 1993 for interest (net of tax and profit sharing effect) and dividends on the convertible debentures and conversion preferred stock considered dilutive common stock equivalents. Share amounts have been retroactively adjusted for the two-for-one stock split in 1995.

Cash Equivalents and Short-Term Investments

Debt securities with original maturities within three months are considered cash equivalents. Debt securities with original maturities beyond three months have remaining maturities within 13 months and are considered short-term investments. These cash equivalent and short-term investment debt securities are available for sale and stated at fair value, which approximates their specific amortized cost. Adjustments to fair value are recorded as an increase or decrease in stockholders' equity. At December 31, 1994, this adjustment was a decrease of $1 million. As of December 31, 1995, these debt securities consisted primarily of the following types: U.S. government ($205 million), corporate ($667 million), and asset-backed commercial paper ($405 million). At December 31, 1994, these debt securities consisted primarily of the following types: U.S. government ($217 million), U.S. state and municipalities ($187 million), corporate ($434 million), and asset-backed commercial paper ($154 million). Gross realized and unrealized gains and losses for each of these security types were immaterial in 1995 and 1994. Proceeds from sales of these cash equivalent and short-term investment debt securities in 1995 and 1994 were $190 million and $75 million.

Inventories

	Millions of Dollars	
	1995	1994
Raw materials and purchased parts	$ 299	$ 237
Work in process	607	553
Finished goods	434	318
Inventories before progress billings	1,340	1,108
Less progress billings	(205)	(226)
Inventories (net of progress billings)	$1,135	$ 882

Approximately 26% and 31% of the December 31, 1995 and 1994 inventories before progress billings related to long-term contracts.

Inventories related to long-term contracts are stated at actual production costs, including manufacturing overhead and special tooling and engineering costs, reduced by amounts identified with revenues recognized on units delivered or with progress completed. Such inventories are reduced by charging any amounts in excess of estimated realizable value to cost of revenues. The costs attributed to units delivered under long-term contracts are based on the estimated average cost of all units to be produced under existing contracts and are determined under the learning curve concept, which anticipates a predictable decrease in unit costs as tasks and production techniques become more efficient through repetition. Production costs included in inventories in excess of the estimated cost of in-process inventories (on the basis of estimated average cost of all units to be produced) were not material.

To secure access to additional semiconductor plant capacity, TI participates in several joint ventures formed to construct and operate semiconductor manufacturing facilities. Upon formation of the ventures TI contributed technology and cash to acquire minority interests and entered into long-term inventory purchase commitments with each joint venture. Under the agreements, TI purchases the output of the ventures at prices based upon percentage discounts from TI's average selling prices. Certain co-venturers have the right to buy a portion of the output from TI. Under the ventures' financing arrangements, the venturers have provided certain debt and other guarantees. At December 31, 1995 and 1994, TI was contingently liable for an aggregate of $40 million and $46 million of such guarantees. Inventory purchases from the ventures aggregated $1,779 million in 1995, $908 million in 1994 and $356 million in 1993. Receivables from and payables to the ventures were $25 million and $223 million at December 31, 1995, and $1 million and $94 million at December 31, 1994.

The purpose of the joint ventures is to provide semiconductor output for TI and other co-venturers. As a result, TI expects to recover its cost of the ventures through sale of the semiconductor output, and is amortizing its cost of the ventures over the expected initial output period of 3 to 5 years, and recognizing its share of any cumulative venture net losses in excess of amortization. The related expense charged to operations was $15 million in 1995, $15 million in 1994 and $27 million in 1993.

Property, Plant and Equipment at Cost

	Depreciable Lives	Millions of Dollars 1995	1994
Land		$ 76	$ 82
Buildings and improvements	5-40 years	1,969	1,777
Machinery and equipment	3-10 years	3,586	3,036
Total		$5,631	$4,895

Authorizations for property, plant and equipment expenditures in future years were approximately $1,654 million at December 31, 1995 and $816 million at December 31, 1994.

Accounts Payable and Accrued Expenses

	Millions of Dollars 1995	1994
Accounts payable	$1,110	$ 678
Advance payments from commercial and defense contract customers	210	205
Accrued salaries, wages, severance and vacation pay	424	367
Other accrued expenses and liabilities	829	627
Total	$2,573	$1,877

Long-Term Debt and Lines of Credit

	Millions of Dollars 1995	1994

2.75% convertible subordinated debentures due 2002	$ 103	$ 124
9.0% notes due 1999	150	150
9.0% notes due 2001	150	150
9.25% notes due 2003	150	150
8.75% notes due 2007	150	150
3.98% to 6.10% Italian lira mortgage notes (38% swapped for 1.60% U.S. dollar obligation)	104	87
Other	10	9
	817	820
Less current portion long-term debt	13	12
Long-term debt	$ 804	$ 808

The convertible subordinated debentures may be redeemed at the company's option at specified prices. The debentures are convertible at the holder's option into an aggregate 2,493,031 shares of TI common stock at a common stock conversion price of $41.4375 per share.

A portion of the coupon rates for the notes due 1999, 2001, 2003 and 2007 have been swapped for commercial-paper-based or LIBOR-based variable rates through April 1997, resulting in a combination of fixed plus short-term variable rates for an effective interest rate of approximately 9.5% and 9.6% as of December 31, 1995 and 1994. The notes due 1999 may be redeemed at par, at the company's option, beginning in July 1996. The Italian lira mortgage notes, and related swaps, are due in installments through 2005. The mortgage notes are collateralized by real estate and building equipment.

Interest incurred on loans in 1995, 1994 and 1993 was $69 million, $58 million and $55 million. Of these amounts, $21 million in 1995, $13 million in 1994 and $8 million in 1993 were capitalized as a component of capital asset construction costs. Interest paid on loans (net of amounts capitalized) was $48 million in 1995, $53 million in 1994 and $54 million in 1993.

Aggregate maturities of long-term debt due during the four years subsequent to December 31, 1996, are as follows:

	Millions of Dollars
1997	$ 14
1998	18
1999	168
2000	19

Unused lines of credit for short-term financing were approximately $538 million at December 31, 1995 and $547 million at December 31, 1994. Of these amounts, $440 million were available to support commercial paper borrowings.

Financial Instruments and Risk Concentration

Financial instruments: In addition to the swaps discussed in the preceding note, as of December 31, 1995, the company has forward currency exchange contracts outstanding of $303 million to hedge net balance sheet exposures (including $78 million to buy deutsche mark, $40 million to buy Singapore dollars, and $36 million to buy yen) and $89 million to hedge specific firm commitments for multi-year product sale transactions denominated in pound sterling. At December 31, 1994, the company had forward currency exchange contracts outstanding of $314 million to hedge net balance sheet exposures (including $64 million to buy yen, $47 million to buy deutsche mark, and $39 million to buy Singapore dollars) and $116 million to hedge specific firm commitments for multi-year product sale transactions denominated in pound sterling. As of December 31, 1995 and 1994, the carrying amounts and current market settlement values of these swaps and forward contracts were not significant, except for the interest rate swaps for the notes due 1999, 2001, 2003 and 2007 for which the year-end 1995 and 1994 carrying amounts are a liability of $1 million and $2 million and the settlement values are a liability of approximately $3 million and $34 million.

The forward currency exchange contracts, including the currency interest rate swaps for the Italian lira mortgage notes, are used to minimize the adverse impacts from the effect of exchange rate fluctuations on the company's non-U.S. net balance sheet exposures (predominantly receivables, payables and accrued expenses) and specific commitments to purchase or sell products. The interest rate swaps for the company's notes due 1999, 2001, 2003 and 2007 are used to change the characteristics of the interest rate stream on the debt from fixed rates to a combination of fixed plus short-term variable rates in order to achieve a mix of interest rates which, over time, is expected to moderate financing costs. The effect of these interest rate swaps was to increase interest expense by $6 million in 1995 and reduce interest expense by $8 million and $12 million in 1994 and 1993. These interest rate swaps are sensitive to interest rate changes. If short-term interest rates increase (decrease) by one percentage point from year-end 1995 rates, annual interest expense would increase (decrease) by $6 million.

In order to minimize its exposure to credit risk, the company limits its counterparties on the forward currency exchange contracts and interest rate swaps to investment-grade rated financial institutions.

As of December 31, 1995 and 1994, the fair value of long-term debt, based on current interest rates, was approximately $902 million and $830 million, compared with the carrying amount of $817 million and $820 million.

Prior to 1995 the company had an agreement to sell, on a revolving basis, up to $175 million of an undivided percentage ownership interest in a designated pool of accounts receivable, with limited recourse. Accounts receivable are shown net of $125 million at December 31, 1994, and $175 million at December 31, 1993, representing receivables sold. The related discount expense, which varied with commercial paper rates, is included in other income (expense) net. In January 1995, the company reduced the outstanding balance to zero and terminated the agreement.

Risk concentration: Financial instruments which potentially subject the company to concentrations of credit risk are primarily cash investments and accounts receivable. The company places its cash investments in investment-grade, short-term debt securities and limits the amount of credit exposure to any one commercial issuer. Concentrations of credit risk with respect to the receivables are limited due to the large number of customers in the company's customer base, and their dispersion across different industries and geographic areas. The company maintains an allowance for losses based upon the expected collectibility of accounts receivable.

Stockholders' Equity

The company is authorized to issue 10,000,000 shares of preferred stock. Prior to 1994, the company had three series of preferred stock outstanding: market auction preferred stock (average dividends declared per share in 1993 were $2,564); money market preferred stock (average dividends declared per share in 1993 were $2,729); and Series A conversion preferred stock. By the end of 1993 all preferred shares had been redeemed by the company and none are currently outstanding.

Each outstanding share of the company's common stock carries a stock purchase right. Under certain circumstances, each right may be exercised to purchase one one-hundredth of a share of the company's participating cumulative preferred stock for $200. Under certain circumstances following the acquisition of 20% or more of the company's outstanding common stock by an acquiring person (as defined in the rights agreement), each right (other than rights held by an acquiring person) may be exercised to purchase common stock of the company or a successor company with a market value of twice the $200 exercise price. The rights, which are redeemable by the company at 1 cent per right, expire in June 1998.

Research and Development Expense

	Millions of Dollars		
	1995	1994	1993
Research and development expense	$927	$689	$590

Other Income (Expense) Net

	Millions of Dollars		
	1995	1994	1993
Interest income	$ 87	$ 51	$ 31
Other income (expense) net	(14)	(47)	(16)
Total	$ 73	$ 4	$ 15

Stock Options

The company has stock options outstanding to participants under the Texas Instruments Long-Term Incentive Plan, approved by stockholders on April 15, 1993. Options are also outstanding under the 1984 and 1988 Stock Option Plans; however, no further options may be granted under these plans. Under all these stockholder-approved plans, the exercise price per share may not be less than 100 percent of the fair market value on the date of the grant. Options granted become exercisable in such amounts, at such intervals and subject to such terms and conditions as determined by the compensation committee of the board of directors.

Under the Long-Term Incentive Plan, the company may grant stock options, including incentive stock options; restricted stock and restricted stock units; performance units; and other stock-based awards, including stock appreciation rights. The plan provides for the issuance of 8,000,000 shares of the company's common stock; in addition, if any option under the 1984 or 1988 Stock Option Plans terminates, then any unissued shares subject to the terminated option become available for granting awards under the plan. No more than 1,000,000 shares of common stock may be awarded as restricted stock, restricted stock units or other stock-based awards under the plan.

The company also has stock options outstanding under an Employees Stock Option Purchase Plan approved by stockholders in 1988. The plan provides for options to be offered to all eligible employees in amounts based on a percentage of the employee's prior year's compensation. If the optionee authorizes and does not cancel payroll deductions which, with interest, will be equal to or greater than the purchase price, options granted become exercisable 14 months, and expire not more than 27 months, from date of grant.

The FASB has recently issued SFAS No. 123, "Accounting for Stock-Based Compensation," which provides in the future for either recognition or disclosure of a hypothetical charge for stock options. The company does not intend to record this hypothetical charge, but will instead provide the disclosure in next year's annual report.

Stock option transactions during 1995, 1994 and 1993 were as follows:

	Long-Term Incentive and Stock Option Plans	Employees Stock Option Purchase Plan	Option Price Range Per Share
Balance, Dec. 31, 1992.......	9,614,954	1,604,446	$15.37 - $30.29
Granted....................	1,720,000	877,606*	
Terminated.................	318,300	171,468*	
Exercised**............	2,112,158	1,273,972	$16.41 - $27.31
Balance, Dec. 31, 1993.......	8,904,496	1,036,612	$15.37 - $32.85
Granted....................	1,719,500	685,124*	
Terminated.................	99,202	141,958*	
Exercised**............	2,365,240	630,996	$15.37 - $32.85
Balance, Dec. 31, 1994.......	8,159,554	948,782	$15.42 - $41.07
Granted....................	2,911,760	982,948*	
Terminated.................	118,364	110,485*	
Exercised**............	3,070,378	687,536	$15.42 - $41.07
Balance, Dec. 31, 1995.......	7,882,572	1,133,709	$16.41 - $81.19
Exercisable at Dec. 31, 1994	4,531,406	311,624	
Exercisable at Dec. 31, 1995	3,800,846	198,802	

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* Excludes options offered but not accepted.
** Includes previously unissued shares and treasury shares of 3,656,872 and 101,042; 2,938,686 and 57,550; and 3,329,264 and 56,866 for 1995, 1994 and 1993.

Common share and option price amounts have been retroactively adjusted for the two-for-one stock split in 1995.

At year-end 1995, 2,508,756 shares were available for future grants under the Long-Term Incentive Plan and 2,686,495 shares under the Employees Stock Option Purchase Plan approved in 1988. As of year-end 1995, 10,820,760 shares were reserved for issuance under the company's stock option and incentive plans and 3,820,204 shares were reserved for issuance under the Employees Stock Option Purchase Plan approved in 1988.

The company acquires its common stock from time to time for use in connection with exercise of stock options and other stock transactions. Treasury shares acquired in 1995, 1994 and 1993 were 135,001 shares, 59,198 shares and 55,525 shares. Previously unissued common shares issued under the Annual Incentive Plan in 1995, 1994 and 1993 were 16,386 shares, 46,330 shares and 207,852 shares.

Profit Sharing and Retirement Plans

The company provides various incentive plans for employees, including general profit sharing and savings programs as well as an annual incentive plan for key employees. The company also provides pension and retiree health care benefit plans in the U.S. and pension plans in certain non-U.S. locations.

Profit sharing: Profit sharing expense was $324 million in 1995, $175 million in 1994 and $83 million in 1993. Under the plans, unless otherwise provided by local law, the company and certain of its subsidiaries contribute a portion of their net profits equal to 25% of the amount by which consolidated income (as defined) before profit sharing and income taxes exceeds 8% of the company's consolidated average assets for the year. Unless otherwise provided by local law, contributions are invested as follows. For worldwide profit sharing earned by eligible participants in 1993 and prior, the contributions have been invested in TI common stock. Subsequent to 1993, certain changes to the profit sharing plans have been made to align them more closely with applicable industry practices. For profit sharing earned by U.S. employees in 1994 and thereafter, several investment options in addition to TI common stock have been made available. And, for 1995 and thereafter, a majority of the profit sharing plans worldwide have been changed so that, depending on the individual plan, from 50% to 100% of the profit sharing earned by employees is not contributed to a deferred plan but is paid as cash to the eligible participants.

Except in the event of company contributions in stock, investments in TI common stock are made by the trustees through purchases of outstanding shares or through purchases of shares offered from time to time by the company. The board of directors has authorized the issuance of previously unissued shares for purposes of the plans; 4,616,918 of such shares were available for future issuance at December 31, 1995.

The trustees of the profit sharing plans purchased 4,762,460 outstanding shares of TI common stock in 1995 (1,881,815 shares in 1994 and 626,670 shares in 1993) and no previously unissued shares in 1995 (403,945 shares in 1994 and 209,464 shares in 1993) for use in the profit sharing plans and savings program.

Savings program: The company provides a matched savings program whereby U.S. employees' contributions of up to 4% of their salary are matched by the company at the rate of 50 cents per dollar. Contributions are subject to statutory limitations. The contributions may be invested in several investment funds including TI common stock. The company's expense under this program was $22 million in 1995, $21 million in 1994 and $21 million in 1993.

U.S. pension plan: The company has a defined benefit plan covering most U.S. employees with benefits based on years of service and employee's compensation. The plan is a career-average-pay plan which has been amended periodically in the past to produce approximately the same results as a final-pay type plan. The board of directors of the company has expressed an intent to make such amendments in the future, circumstances permitting, and the expected effects of such amendments have been considered in calculating U.S. pension expense. The company's funding policy is to contribute to the plan at least the minimum amount required by ERISA. Plan assets consist primarily of common stock, U.S. government obligations, commercial paper and real estate.

Pension expense of the U.S. plan includes the following components:

	Millions of Dollars		
	1995	1994	1993
Service cost - benefits earned during the period.....	$ 47	$ 54	$ 59
Interest cost on projected benefit obligation........	69	69	72
Return on plan assets:			
Actual return......................................	(130)	16	(99)
Deferral...	72	(74)	44
Net amortization.....................................	(7)	(4)	(2)
U.S. pension expense.................................	$ 51	$ 61	$ 74

The funded status of the U.S. plan was as follows:

	Millions of Dollars	
	1995	1994
Actuarial present value at Dec. 31 of:		
Vested benefit obligation.........................	$ (691)	$(523)
Accumulated benefit obligation....................	$ (785)	$(575)
Projected benefit obligation......................	$(1,179)	$(818)
Plan assets at fair value...........................	825	724
Projected benefit obligation in excess of plan assets..	(354)	(94)
Unrecognized net asset from initial application of SFAS 87............................	(65)	(78)
Unrecognized net (gain) loss........................	139	(121)
Unrecognized prior service cost.....................	35	41
Accrued pension at Dec. 31..........................	(245)	(252)
Less current portion................................	61	54
Accrued U.S. pension costs..........................	$ (184)	$(198)

The projected benefit obligations for 1995 and 1994 were determined using assumed discount rates of 7.0% and 8.5% and an assumed average long-term pay progression rate of 4.25%. The assumed long-term rate of return on plan assets was 9.0%.

Non-U.S. pension plans: Retirement coverage for non-U.S. employees of the company is provided, to the extent deemed appropriate, through separate plans. Retirement benefits are based on years of service and employee's compensation, generally during a fixed number of years immediately prior to retirement. Funding policies are based on local statutes. Plan assets consist primarily of common stock, government obligations and corporate bonds.

Pension expense of the non-U.S. plans includes the following components:

	Millions of Dollars		
	1995	1994	1993
Service cost - benefits earned during the period	$ 59	$ 56	$ 44
Interest cost on projected benefit obligations	38	32	28
Return on plan assets:			
Actual return	(32)	(15)	(50)
Deferral	(3)	(15)	25
Net amortization	10	11	8
Non-U.S. pension expense	$ 72	$ 69	$ 55

The funded status of the non-U.S. plans was as follows:

	Millions of Dollars	
	1995	1994
Actuarial present value at Sept. 30 of:		
Vested benefit obligations	$(523)	$(424)
Accumulated benefit obligations	$(619)	$(493)
Projected benefit obligations	$(873)	$(693)
Plan assets at fair value	448	398
Projected benefit obligations in excess of plan assets	(425)	(295)
Unrecognized net liabilities from initial application of SFAS 87	21	24
Unrecognized net loss	253	148
Unrecognized prior service cost	5	6
Accrued non-U.S. pension at Sept. 30	(146)	(117)
Additional minimum liability	(56)	(9)
Adjustments from Sept. 30 to Dec. 31	(5)	-
Less prepaid pension costs at Dec. 31	12	12
Accrued pension at Dec. 31	(219)	(138)
Less current portion	12	10
Accrued non-U.S. pension costs	$(207)	$(128)

The range of assumptions used for the non-U.S. plans reflects the different economic environments within the various countries. The projected benefit obligations were determined using a range of assumed discount rates of 3.25% to 8.0% in 1995 and 4.75% to 8.0% in 1994 and a range of assumed average long-term pay progression rates of 3.5% to 6.0% in 1995 and 4.0% to 6.0% in 1994. The range of assumed long-term rates of return on plan assets was 8.0% to 9.0%. Accrued pension at December 31 includes approximately $101 million in 1995 and $83 million in 1994 for two non-U.S. plans that are not funded. Pension accounting rules require recognition in the balance sheet of an additional minimum pension liability equal to the excess of the accumulated benefit obligation over the fair value of the plan assets. A corresponding amount is recognized as an intangible asset, not to exceed the amount of unrecognized prior service cost, with the balance recorded as a reduction of stockholders' equity. As of December 31, 1995 and 1994, the company has recorded an additional non-U.S. minimum pension liability of $56 million and $9 million and, for 1995, an equity reduction of $45 million.

Retiree health care benefit plan: The company's U.S. employees are currently eligible to receive, during retirement, specified company-paid medical benefits. The plan is contributory and premiums are adjusted annually. For employees retiring on or after January 5, 1993, the company has specified a maximum annual amount per retiree, based on years of service, that it will pay toward retiree medical premiums. For employees who retired prior to that date, the company maintains a consistent level of cost sharing between the company and the retiree. The company is pre-funding the plan obligation in amounts determined at the discretion of management. Plan assets consist primarily of common stock, U.S. government obligations, commercial paper, and obligations of U.S. states and municipalities.

Effective January 1, 1993, the company adopted SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," which required the accrual of expected retiree health care benefit costs during the employees' working careers, instead of when the claims are incurred. The company recorded an accumulated postretirement benefit obligation of $454 million and a related deferred income tax asset of $160 million, which resulted in a 1993 charge of $294 million ($1.57 per share) for the cumulative effect of the accounting change.

Expense of the retiree health care benefit plan includes the following components:

	Millions of Dollars		
	1995	1994	1993
Service cost - benefits earned during the period.....	$ 6	$ 6	$ 6
Interest cost on accumulated postretirement benefit obligation................................	37	36	35
Return on plan assets:			
Actual return.....................................	(4)	(3)	(1)
Deferral..	1	3	1
Retiree health care benefit expense.................	$ 40	$ 42	$ 41

The funded status of the plan was as follows:

	Millions of Dollars	
	1995	1994
Actuarial present value at Dec. 31 of accumulated postretirement benefit obligation:		
Retirees..	$ (356)	$ (337)
Fully eligible employees.........................	(21)	(12)
Other employees..................................	(118)	(104)
	(495)	(453)
Plan assets at fair value............................	44	23
Accumulated postretirement benefit obligation in excess of plan assets...........................	(451)	(430)
Unrecognized net (gain) loss.........................	9	(16)
Unrecognized prior service cost......................	(11)	(12)

Accrued at Dec. 31	(453)	(458)
Less current portion	43	44
Accrued retiree health care benefit costs	$ (410)	$ (414)

Retiree health care benefit amounts were determined using health care cost trend rates of 8.1% for 1996 decreasing to 6.0% by 1999, and assumed discount rates of 7.0% for 1995 and 8.5% for 1994. Increasing the health care cost trend rates by 1% would have increased the accumulated postretirement benefit obligation at December 31, 1995 by $32 million and 1995 plan expense by $2 million. A trust holding a portion of the plan assets is subject to federal income taxes at a 39.6% rate. The assumed long-term rate of return on plan assets, after taxes, was 7.3%.

Special actions: In the first quarter of 1994, the company took a pretax charge of $83 million for restructuring of its European operations from the traditional country-by-country approach to business centers with pan-European responsibilities. This action primarily affected semiconductor activities and is expected to result in annual savings of approximately $54 million when fully implemented. Also taken in the first quarter was a pretax charge of $49 million for costs related to the divestiture of nonstrategic product lines, primarily in digital products. The total charges of $132 million included non-cash asset write-downs of $31 million with the balance for expected cash outlays, including $62 million for severance. The divestitures were essentially completed by the end of 1994. Completion of the restructuring action, which was delayed due to extended negotiations with certain European works councils, was essentially completed by the end of 1995. Of the total expected cash outlays, $41 million was expended during 1994 with the balance substantially expended in 1995. Of the approximately 1,000 employees, primarily in Europe, affected by the severance actions, 383 left the company during 1994, and most of those remaining left in 1995.

Industry Segment and Geographic Area Operations

The company is engaged in the development, manufacture and sale of a variety of products in the electrical and electronics industry for industrial, government and consumer markets. These products and their markets consist of the following: components (semiconductors, such as integrated circuits, discrete devices and subassemblies, and electrical and electronic control devices) which are sold primarily to original equipment manufacturers principally through the company's own marketing organizations and to a lesser extent through distributors; defense systems and electronics (such as radar systems, navigation systems, infrared surveillance and fire control systems, defense suppression missiles, missile guidance and control systems, and electronic warfare systems) which are sold to the U.S. government (either directly or through prime contractors) and to international customers approved by the U.S. government; digital products (such as software productivity tools, mobile computing products, printers, and electronic calculators) which are marketed through various channels, including system suppliers, business equipment dealers, distributors, retailers, and direct sales to end-users and original equipment manufacturers. Subsequent to year-end 1995, the company reached an agreement to sell substantially all of its custom manufacturing services business, which is part of the digital products segment. The company also produces metallurgical materials (including clad metals, precision-engineered parts and electronic connectors) which are primarily sold directly to original equipment manufacturers.

The company's business is based principally on its broad semiconductor technology and application of this technology to selected electronic end equipment markets.

Industry segment and geographic area profit (loss) is not equivalent to income before provision for income taxes and cumulative effect of accounting changes due to exclusion of general corporate expenses, net interest, currency exchange gains and losses, and other items along with elimination of unrealized profit in assets. Profit sharing expense is allocated to segment results based on payroll costs. Beginning the fourth quarter of 1995, for geographic area purposes responsibility for certain interarea product transfers was changed consistent with the company's new pan-European operations approach. The effect of this change on 1995 geographic area results was to increase Europe profits and decrease U.S. profits by approximately $70 million. Additionally, prior to 1995, for geographic area purposes U.S. interarea product transfers for further processing were recorded as cost credits. In 1995, such transfers are recorded as interarea revenues. The effect of this change was to increase 1995 U.S. interarea revenues by approximately $960 million. Prior to 1994, for geographic area purposes research and development expense was allocated based on revenues. In 1994, research and development expense is generally reported in the geographic area where incurred. The effect of this change on 1994 geographic area results was to decrease U.S. profits by $144 million, decrease Europe losses by $28 million, increase East Asia profits by $113 million and increase other areas profit by $3 million. Royalty revenue from patent license agreements is included in the U.S. geographic net revenues and (except for royalty revenue from microcomputer system patent license agreements, which is included in the digital products segment) is principally included in the components segment.

Identifiable assets are those associated with segment or geographic area operations, excluding unallocated cash and short-term investments, internal company receivables and deferred income taxes. Generally, revenues between industry segments and between geographic areas are based on prevailing market prices or an approximation thereof.

Industry Segment Net Revenues

	Millions of Dollars		
	1995	1994	1993
Components			
Trade	$ 9,420	$ 6,787	$ 5,091
Intersegment	60	56	66
	9,480	6,843	5,157
Defense Systems and Electronics			
Trade	1,718	1,710	1,842
Intersegment	22	17	14
	1,740	1,727	1,856
Digital Products			
Trade	1,829	1,661	1,454

Intersegment	23	1	4
	1,852	1,662	1,458
Metallurgical Materials			
Trade	160	152	126
Intersegment	23	25	19
	183	177	145
Eliminations and other	(127)	(94)	(93)
Total	$13,128	$10,315	$ 8,523

Net revenues directly from federal government agencies in the United States, principally related to the defense systems and electronics segment, were $1,019 million in 1995, $1,009 million in 1994 and $1,031 million in 1993.

Industry Segment Profit (Loss)

	Millions of Dollars		
	1995	1994	1993
Components	$1,830	$1,101	$ 689
Defense Systems and Electronics	172	172	188
Digital Products	(59)	62	34
Metallurgical Materials	2	(8)	(4)
Eliminations and corporate items	(326)	(285)	(211)
Income before provision for income taxes and cumulative effect of accounting changes	$1,619	$1,042	$ 696

Industry Segment Identifiable Assets

	Millions of Dollars		
	1995	1994	1993
Components	$5,199	$3,655	$3,016
Defense Systems and Electronics	877	731	821
Digital Products	930	756	718
Metallurgical Materials	88	76	68
Eliminations and corporate items	2,121	1,771	1,370
Total	$9,215	$6,989	$5,993

Industry Segment Property, Plant and Equipment

Depreciation	1995	1994	1993
	Millions of Dollars		
Components	$ 612	$ 514	$ 462
Defense Systems and Electronics	84	97	104
Digital Products	23	24	23
Metallurgical Materials	11	10	10
Eliminations and corporate items	26	20	18
Total	$ 756	$ 665	$ 617

Additions	1995	1994	1993
	Millions of Dollars		
Components	$1,207	$ 888	$ 545
Defense Systems and Electronics	116	96	92
Digital Products	32	42	37
Metallurgical Materials	14	9	16
Eliminations and corporate items	70	41	40
Total	$1,439	$1,076	$ 730

The following geographic area data include revenues, costs and expenses generated by and assets employed in operations located in each area:

Geographic Area Net Revenues

	1995	1994	1993
	Millions of Dollars		
United States			
Trade	$ 6,757	$ 5,943	$ 5,314
Interarea	1,467	457	449
	8,224	6,400	5,763
Europe			
Trade	2,182	1,574	1,281
Interarea	389	253	238
	2,571	1,827	1,519
East Asia			
Trade	4,122	2,729	1,860
Interarea	1,822	1,525	1,223
	5,944	4,254	3,083
Other Areas			
Trade	67	69	68
Interarea	59	50	51
	126	119	119
Eliminations	(3,737)	(2,285)	(1,961)
Total	$13,128	$10,315	$ 8,523

Geographic Area Profit (Loss)

	Millions of Dollars		
	1995	1994	1993
United States....................................	$1,204	$1,018	$ 743
Europe...	230	(12)	33
East Asia..	287	219	63
Other Areas......................................	(2)	5	-
Eliminations and corporate items..................	(100)	(188)	(143)
Income before provision for income taxes and cumulative effect of accounting changes.........	$1,619	$1,042	$ 696

Geographic Area Identifiable Assets

	Millions of Dollars		
	1995	1994	1993
United States....................................	$3,959	$2,965	$2,589
Europe...	1,299	889	897
East Asia..	2,163	1,616	1,310
Other Areas......................................	46	43	42
Eliminations and corporate items..................	1,748	1,476	1,155
Total..	$9,215	$6,989	$5,993

Income Taxes

Effective January 1, 1993, the company adopted SFAS No. 109, "Accounting for Income Taxes," which required increased recording of deferred income tax assets. As a result, the company recorded additional deferred income tax assets of $203 million, after a valuation allowance of $404 million, and reduced deferred income tax liabilities by $87 million, which resulted in a 1993 credit of $290 million ($1.54 per share) for the cumulative effect of the accounting change.

Income (Loss) before Provision for Income Taxes and Cumulative Effect of Accounting Changes

	Millions of Dollars			
	Geographic area profit (loss)			
	U.S.	Non-U.S.	Elims. & corp. items	Total
1995........................	$1,204	$ 515	$(100)	$1,619
1994........................	1,018	212	(188)	1,042
1993........................	743	96	(143)	696

With the exception of interarea elimination of unrealized profit in assets, which increased $5 million in 1995, increased $18 million in 1994, and increased $1 million in 1993, the remaining corporate items consist primarily of general corporate expenses which are applicable to both U.S. and non-U.S. operations. These expenses are generally deductible for tax purposes in the U.S.

Provision (Credit) for Income Taxes

Millions of Dollars			
U.S. Federal	Non-U.S.	U.S. State	Total

1995				
Current	$ 357	$ 190	$ 30	$ 577
Deferred	(29)	(19)	2	(46)
Total	$ 328	$ 171	$ 32	$ 531
1994				
Current	$ 249	$ 95	$ 19	$ 363
Deferred	4	(18)	2	(12)
Total	$ 253	$ 77	$ 21	$ 351
1993				
Current	$ 168	$ 96	$ 15	$ 279
Deferred	(39)	(17)	(3)	(59)
Total	$ 129	$ 79	$ 12	$ 220

Notes to Financial Statements
(continued)

Principal reconciling items from income tax computed at the statutory federal rate follow.

	Millions of Dollars		
	1995	1994	1993
Computed tax at statutory rate	$ 567	$ 365	$ 244
Effect of increase in tax rate on net deferred tax assets	-	-	(17)
Effect of non-U.S. rates	(86)	(42)	(3)
Research and experimentation tax credits	(5)	(3)	(8)
Effect of U.S. state income taxes	19	14	10
Other	36	17	(6)
Total provision for income taxes	$ 531	$ 351	$ 220

Included in the effect of non-U.S. rates for 1995 and 1994 is a $93 million and a $69 million benefit from tax loss carryforward utilization reduced by certain non-U.S. taxes and losses for which no benefit was recognized. Provision has been made for deferred taxes on undistributed earnings of non-U.S. subsidiaries to the extent that dividend payments from such companies are expected to result in additional tax liability. The remaining undistributed earnings (approximately $600 million at December 31, 1995) have been indefinitely reinvested; therefore, no provision has been made for taxes due upon remittance of these earnings. Determination of the amount of unrecognized deferred tax liability on these unremitted earnings is not practicable.

The primary components of deferred income tax assets and liabilities at December 31 were as follows:

	Millions of Dollars	
	1995	1994
Deferred income tax assets:		
Accrued retirement costs (pension and retiree health care)	$ 276	$ 264
Inventories and related reserves	232	227
Accrued expenses	234	155
Long-term contracts	43	50
Loss carryforwards	51	138
Other	188	165
	1,024	999
Less valuation allowance	(192)	(330)
	832	669
Deferred income tax liabilities:		
Property, plant and equipment	(150)	(95)
Other	(94)	(32)
	(244)	(127)
Net deferred income tax asset	$ 588	$ 542

As of December 31, 1995 and 1994, the net deferred income tax asset of $588 million and $542 million was presented in the balance sheet, based on tax jurisdiction, as deferred income tax assets of $682 million and $580 million and deferred income tax liabilities of $94 million and $38 million. The valuation allowance shown above reflects the company's ongoing assessment regarding the realizability of certain non-U.S. deferred income tax assets. The balance of the deferred income tax assets is considered realizable based on carryback potential, existing taxable temporary differences, and expectation of future income levels comparable to recent results. Such future income levels are not assured because of the nature of the company's businesses, which are generally characterized by rapidly changing technology and intense competition.

The company has aggregate non-U.S. tax loss carryforwards of approximately $121 million. Of this amount, $73 million expires through the year 2005 and $48 million has no expiration.

Income taxes paid were $384 million, $399 million and $231 million for 1995, 1994 and 1993.

Rental Expense and Lease Commitments

Rental and lease expense was $153 million in 1995, $145 million in 1994 and $132 million in 1993. The company conducts certain operations in leased facilities and also leases a portion of its data processing and other equipment. The lease agreements frequently include purchase and renewal provisions and require the company to pay taxes, insurance and maintenance costs.

At December 31, 1995, the company was committed under non-cancelable leases with minimum rentals in succeeding years as follows:

Non-Cancelable Leases

	Millions of Dollars
1996	$ 114
1997	86
1998	58
1999	46
2000	40
Later years	186

Common Stock Prices and Dividends (unaudited)

TI common stock is listed on the New York Stock Exchange and traded principally in that market. In addition, TI common stock is listed on the London and Tokyo stock exchanges and in Switzerland on the Zurich, Geneva and Basel stock exchanges. The table below shows the high and low prices of TI common stock on the composite tape as reported by The Wall Street Journal and the dividends paid per common share for each quarter during the past two years. Stock prices and dividends have been retroactively adjusted for the two-for-one stock split in 1995.

	Quarter			
	1st	2nd	3rd	4th
Stock prices:				
1995 High	$49.00	$72.00	$83.75	$81.25
Low	34.38	43.38	66.50	46.00
1994 High	44.75	42.88	43.75	40.32
Low	30.50	31.63	32.88	31.69
Dividends paid:				
1995	$ .125	$ .125	$ .17	$ .17
1994	$ .09	$ .09	$ .125	$ .125

Quarterly Financial Data (unaudited)

	Millions of Dollars, Except Per-Share Amounts							
	1994				1995			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th
Net revenues......................	$2,449	$2,510	$2,574	$2,782	$2,862	$3,238	$3,425	$3,603
Gross profit......................	662	708	722	752	827	971	979	1,032
Profit from operations............	209	292	291	291	344	403	437	409
Income before provision for income taxes....................	204	277	281	280	348	410	431	430
Net income........................	134	184	186	188	230	278	289	291
Earnings per common and common equivalent share................	$ .71	$ .97	$ .97	$ .99	$ 1.21	$ 1.44	$ 1.48	$ 1.50

Earnings per common and common equivalent share are based on average common and common equivalent shares outstanding (194,676,703 shares and 190,263,825 shares for the fourth quarters of 1995 and 1994).

Report of Ernst & Young LLP, Independent Auditors

The Board of Directors
Texas Instruments Incorporated

We have audited the accompanying consolidated balance sheets of Texas Instruments Incorporated and subsidiaries (the Company) at December 31, 1995 and 1994, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Texas Instruments Incorporated and subsidiaries at December 31, 1995 and 1994, and the results of its operations and cash flows for each of the three years in the period ended December 31, 1995, in conformity with generally accepted accounting principles.

As discussed in the "Profit Sharing and Retirement Plans" and "Income Taxes" notes to the financial statements, in 1993 the Company changed its method of accounting for retiree health care benefits and income taxes.

/s/ Ernst & Young LLP

Dallas, Texas
January 22, 1996

Exhibit 21

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES
LIST OF SUBSIDIARIES OF THE REGISTRANT

The following are current subsidiaries of the Registrant.

Subsidiary and Name Under Which Business is Done	Where Organized
Texas Instruments Deutschland G.m.b.H.	Germany
Texas Instruments France S.A.	France
Texas Instruments Holland B.V.	Netherlands
Texas Instruments Hong Kong Limited	Hong Kong
Texas Instruments Italia S.p.A.	Italy
Texas Instruments Japan Limited	Japan
Texas Instruments Limited	United Kingdom
Texas Instruments Malaysia Sdn. Bhd.	Malaysia
Texas Instruments (Philippines) Incorporated	Delaware
Texas Instruments Singapore (Pte) Limited	Singapore
Texas Instruments Taiwan Limited	Taiwan
TI Information Engineering Limited	United Kingdom

Note: The names of other subsidiaries of the Registrant are not listed herein since the additional subsidiaries considered in the aggregate as a single subsidiary do not constitute a significant subsidiary as defined by Rule 1.02(v) of Regulation S-X.

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Annual Report on Form 10-K of Texas Instruments Incorporated of our report dated January 22, 1996, included in the 1995 Annual Report to Stockholders of Texas Instruments Incorporated.

Our audits also included the financial statement schedule of Texas Instruments Incorporated listed in Item 14(a). This schedule is the responsibility of the Registrant's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also consent to the incorporation by reference in the following registration statements, and in the related prospectuses thereto, of our report dated January 22, 1996 with respect to the consolidated financial statements and consolidated schedule of Texas Instruments Incorporated, included in or incorporated by reference in this Annual Report on Form 10-K for the year ended December 31, 1995: Registration Statement No. 33-61154 on Form S-8, Registration Statement No. 33-21407 on Form S-8, Registration Statement No. 33-42172 on Form S-8, Registration Statement No. 33-54615 on Form S-8, Registration Statement No. 33-18509 on Form S-3, and Registration Statement No. 33-48840 on Form S-3.

/s/ ERNST & YOUNG LLP
ERNST & YOUNG LLP

Dallas, Texas
February 21, 1996

Exhibit 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints JERRY R. JUNKINS, WILLIAM A. AYLESWORTH and RICHARD J. AGNICH, and each of them, with full power to act without the others, his true and lawful attorneys-in-fact and agents, with full and several power of substitution, for him and in his name, place and stead, in any and all capacities, to sign the Annual Report on Form 10-K of Texas Instruments Incorporated for the year ended December 31, 1995, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they or he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney on this 14th day of February, 1996.

/s/ JAMES R. ADAMS
James R. Adams

Exhibit 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints JERRY R. JUNKINS, WILLIAM A. AYLESWORTH and RICHARD J. AGNICH, and each of them, with full power to act without the others, his true and lawful attorneys-in-fact and agents, with full and several power of substitution, for him and in his name, place and stead, in any and all capacities, to sign the Annual Report on Form 10-K of Texas Instruments Incorporated for the year ended December 31, 1995, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they or he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney on this 12th day of February, 1996.

/s/ DAVID L. BOREN
David L. Boren

Exhibit 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints JERRY R. JUNKINS, WILLIAM A. AYLESWORTH and RICHARD J. AGNICH, and each of them, with full power to act without the others, his true and lawful attorneys-in-fact and agents, with full and several power of substitution, for him and in his name, place and stead, in any and all capacities, to sign the Annual Report on Form 10-K of Texas Instruments Incorporated for the year ended December 31, 1995, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they or he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney on this 12th day of February, 1996.

/s/ JAMES B. BUSEY IV
James B. Busey IV

Exhibit 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints JERRY R. JUNKINS, WILLIAM A. AYLESWORTH and RICHARD J. AGNICH, and each of them, with full power to act without the others, his true and lawful attorneys-in-fact and agents, with full and several power of substitution, for him and in his name, place and stead, in any and all capacities, to sign the Annual Report on Form 10-K of Texas Instruments Incorporated for the year ended December 31, 1995, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they or he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney on this 15th day of February, 1996.

/s/ WILLIAM S. LEE
William S. Lee

Exhibit 24

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney on this 14th day of February, 1996.

/s/ WILLIAM B. MITCHELL
William B. Mitchell

Exhibit 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints JERRY R. JUNKINS, WILLIAM A. AYLESWORTH and RICHARD J. AGNICH, and each of them, with full power to act without the others, her true and lawful attorneys-in-fact and agents, with full and several power of substitution, for her and in her name, place and stead, in any and all capacities, to sign the Annual Report on Form 10-K of Texas Instruments Incorporated for the year ended December 31, 1995, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney on this 15th day of February, 1996.

/s/ GLORIA M. SHATTO
Gloria M. Shatto

Exhibit 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints JERRY R. JUNKINS, WILLIAM A. AYLESWORTH and RICHARD J. AGNICH, and each of them, with full power to act without the others, his true and lawful attorneys-in-fact and agents, with full and several power of substitution, for him and in his name, place and stead, in any and all capacities, to sign the Annual Report on Form 10-K of Texas Instruments Incorporated for the year ended December 31, 1995, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they or he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney on this 15th day of February, 1996.

/s/ WILLIAM P. WEBER
William P. Weber

Exhibit 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints JERRY R. JUNKINS, WILLIAM A. AYLESWORTH and RICHARD J. AGNICH, and each of them, with full power to act without the others, his true and lawful attorneys-in-fact and agents, with full and several power of substitution, for him and in his name, place and stead, in any and all capacities, to sign the Annual Report on Form 10-K of Texas Instruments Incorporated for the year ended December 31, 1995, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as they or he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney on this 14th day of February, 1996.

/s/ CLAYTON K. YEUTTER
Clayton K. Yeutter

This schedule contains summary financial information extracted from
THE CONSOLIDATED FINANCIAL STATEMENTS OF TEXAS INSTRUMENTS INCORPORATED AND
SUBSIDIARIES AS OF DECEMBER 31, 1995, AND FOR THE YEAR THEN ENDED, and is
qualified in its entirety by reference to such financial statements.

1,000,000

YEAR
DEC-31-1995
DEC-31-1995
1,364
189
2,320
45
1,135
5,518
5,631
2,444
9,215
3,188
804
0
0
190
3,905
9,215
13,128
13,128
9,318
9,318
509
0
48
1,619
531
1,088
0
0
0
1,088
5.63
0