

**Texas Instruments Incorporated**  
**Free Cash Flow (Non-GAAP Reconciliation)**  
(Millions of dollars, except share amounts)  
**Calculated as of December 31, 2018**

**Free cash flow and associated ratios**

Free cash flow was calculated by subtracting capital expenditures from cash flows from operating activities (also referred to as cash flow from operations). The table below provides a reconciliation of free cash flow to the most directly comparable GAAP measure.

	<b>For Three Months Ended December 31, 2018</b>	<b>For Years Ended December 31,</b>		<b>Change</b>
		<b>2018</b>	<b>2017</b>	
Cash flow from operations (GAAP) .....	\$ 2,145	\$ 7,189	\$ 5,363	34%
Capital expenditures .....	(323)	(1,131)	(695)	
Free cash flow (non-GAAP) .....	<u>\$ 1,822</u>	<u>\$ 6,058</u>	<u>\$ 4,668</u>	30%
Revenue .....	<u>\$ 3,717</u>	<u>\$ 15,784</u>	<u>\$ 14,961</u>	
Cash flow from operations as a percent of revenue (GAAP) .....		45.5%	35.8%	
Free cash flow as a percent of revenue (non-GAAP) .....		38.4%	31.2%	

	<b>For Years Ended December 31,</b>				
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Cash flow from operations (GAAP) .....	\$ 2,974	\$ 3,680	\$ 2,560	\$ 4,529	\$ 3,352
Capital expenditures .....	(1,260)	(1,288)	(1,272)	(686)	(763)
Free cash flow (non-GAAP) .....	<u>\$ 1,714</u>	<u>\$ 2,392</u>	<u>\$ 1,288</u>	<u>\$ 3,843</u>	<u>\$ 2,589</u>
Average basic shares outstanding, in millions .....	1,730	1,640	1,528	1,417	1,308

	<b>For Years Ended December 31,</b>				
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Cash flow from operations (GAAP) .....	\$ 2,647	\$ 3,839	\$ 3,334	\$ 3,483	\$ 3,514
Capital expenditures .....	(753)	(1,199)	(816)	(495)	(412)
Free cash flow (non-GAAP) .....	<u>\$ 1,894</u>	<u>\$ 2,640</u>	<u>\$ 2,518</u>	<u>\$ 2,988</u>	<u>\$ 3,102</u>
Average basic shares outstanding, in millions .....	1,260	1,199	1,151	1,132	1,098

	<b>For Years Ended December 31,</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Cash flow from operations (GAAP) .....	\$ 4,054	\$ 4,397	\$ 4,614	\$ 5,363	<b>\$ 7,189</b>
Capital expenditures .....	(385)	(551)	(531)	(695)	<b>(1,131)</b>
Free cash flow (non-GAAP) .....	<u>\$ 3,669</u>	<u>\$ 3,846</u>	<u>\$ 4,083</u>	<u>\$ 4,668</u>	<b>\$ 6,058</b>
Average basic shares outstanding, in millions .....	1,065	1,030	1,003	991	<b>970</b>