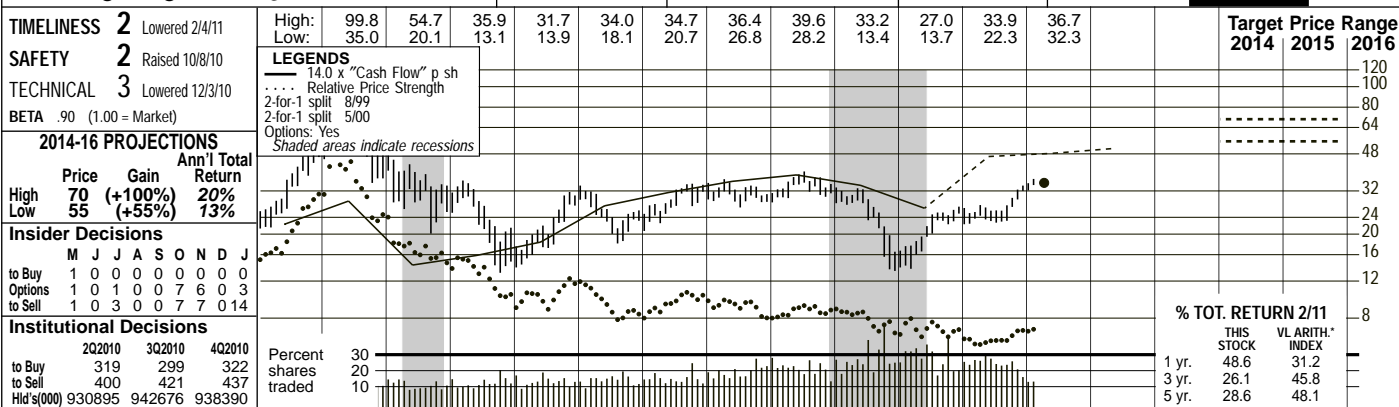


TEXAS INSTR. NYSE-TXN

RECENT PRICE **34.96** P/E RATIO **13.4** (Trailing: 14.0; Median: 27.0) RELATIVE P/E RATIO **0.80** DIV'D YLD **1.5%** **VALUE LINE**



1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	© VALUE LINE PUB. LLC	14-16
8.66	6.53	6.26	5.41	5.82	6.86	4.73	4.84	5.68	7.32	8.37	9.83	10.30	9.78	8.41	11.96	12.25	12.35	Sales per sh	14.55
1.22	.78	1.23	1.19	1.59	2.05	1.02	1.13	1.31	1.94	2.25	2.54	2.73	2.43	1.89	3.33	3.45	3.65	"Cash Flow" per sh	4.30
.70	.18	.51	.45	.92	1.22	.12	.22	.48	1.05	1.34	1.69	1.83	1.57	1.15	2.49	2.65	2.80	Earnings per sh ^B	3.30
.08	.09	.09	.06	.09	.09	.09	.09	.09	.09	.11	.13	.30	.40	.45	.49	.52	.55	Div'ds Decl'd per sh ^C	.66
.95	1.36	.79	.66	.84	1.59	1.03	.46	.46	.76	.83	.88	.51	.60	.61	1.03	.75	.70	Cap'l Spending per sh	.70
2.70	2.69	3.80	4.18	5.69	7.27	6.85	6.20	6.85	7.60	7.46	7.83	7.43	7.30	7.84	8.94	11.60	14.15	Book Value per sh	21.40
1516.2	1522.0	1558.0	1562.7	1625.8	1732.1	1733.9	1730.6	1732.3	1718.1	1600.3	1450.0	1343.2	1277.9	1240.1	1167.4	1175.0	1200.0	Common Shs Outst'g ^A	1215.0
10.4	35.8	24.0	33.4	38.4	51.2	NMF	NMF	44.1	24.0	21.4	18.4	18.3	16.0	18.0	10.6	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	19.0
.70	2.24	1.38	1.74	2.19	3.33	NMF	NMF	2.51	1.27	1.14	.99	.97	.96	1.20	.68			Relative P/E Ratio	1.25
1.1%	1.3%	.7%	.4%	.2%	.1%	.3%	.4%	.4%	.3%	.4%	.4%	.9%	1.6%	2.2%	1.9%			Avg Ann'l Div'd Yield	1.1%

CAPITAL STRUCTURE as of 12/31/10				2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Total Debt	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None
LT Debt	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None	None
Leases, Uncapitalized: Annual Rentals: \$81.0 mill				19.1%	24.0%	24.3%	29.3%	31.1%	31.0%	32.7%	29.7%	27.5%	33.6%	34.0%	34.5%	Sales (\$mill)	17700					
Pension Assets-12/09 \$859 mill. Oblig. \$860 mill.				1559.0	1574.0	1429.0	1479.0	1375.0	1052.0	1022.0	1022.0	877.0	865.0	900	1000	Operating Margin	34.5%					
Pfd Stock None				209.0	387.0	841.0	1861.0	2224.0	2638.0	2641.0	2085.0	1470.0	3020.0	3180	3360	Depreciation (\$mill)	1200					
Common Stock 1,167,444,000 shs.				--	9.2%	19.7%	23.1%	25.6%	27.2%	28.5%	23.8%	27.1%	29.1%	30.0%	30.0%	Income Tax Rate	30.0%					
MARKET CAP: \$40.8 billion (Large Cap)				2.5%	4.6%	8.6%	14.8%	16.6%	18.5%	19.1%	16.7%	14.1%	21.6%	22.1%	22.7%	Net Profit Margin	22.6%					
CURRENT POSITION				4195.0	4192.0	5509.0	8265.0	6839.0	5776.0	4893.0	4258.0	4527.0	5079.0	5000	5500	Working Cap'l (\$mill)	7000					
CASH ASSETS				1211.0	833.0	395.0	368.0	360.0	--	--	--	--	--	Nil	Nil	Long-Term Debt (\$mill)	Nil					
RECEIVABLES				11879	10734	11864	13063	11937	11360	9975.0	9326.0	9722.0	10437.0	13620	16980	Shr. Equity (\$mill)	26000					
INVENTORY				1.9%	3.5%	7.0%	13.9%	18.1%	23.2%	26.5%	22.4%	15.1%	28.9%	23.5%	20.0%	Return on Total Cap'l	15.5%					
CURRENT ASSETS				1.8%	3.6%	7.1%	14.2%	18.6%	23.2%	26.5%	22.4%	15.1%	28.9%	23.5%	20.0%	Return on Shr. Equity	15.5%					
ACCTS PAYABLE				.5%	2.2%	5.8%	13.1%	17.2%	21.5%	22.2%	16.6%	9.3%	22.4%	18.5%	16.0%	Retained to Com Eq	12.5%					
DEBT DUE				70%	38%	17%	8%	8%	8%	16%	26%	39%	20%	20%	20%	All Div'ds to Net Prof	20%					
OTHER				<p>BUSINESS: Texas Instruments Incorporated is a global manufacturer of semiconductors and electronic products. The company is the leading supplier of digital signal processors and analog devices. Markets electrical controls, educational and productivity solutions, and metallurgical materials. Royalty income from licensing proprietary technology is significant. Acquired Burr-Brown, 8/00; Unitrode, 10/99. Sold DRAM business, 10/1/98; defense business, 7/1/97. R&D, 11.2% of 2010 revenues. Has 26,584 empls. Capital Research owns 9.5% of common stock; Off. and dir. own 1.3% of stock (3/11 proxy). CEO & Pres.: Richard Templeton. Inc.: DE. Address: 12500 TI Boulevard, P.O. Box 660199, Dallas, TX 75266-0199. Telephone: 972-995-3773. Internet: www.ti.com.</p>																		

Texas Instruments appears to be well positioned to continue gaining market share in its core semiconductor businesses. Improved demand in electronics end markets is driving a cyclical upturn in the semiconductor industry. We forecast additional sales and profit growth for 2011, following the strong rebound in 2010. Analog chips should be helped by strength in both high-performance and high-volume products, while embedded processing should be aided by increases in digital signal processor and microcontroller catalog products. Wireless is expected to grow due to higher demand for connectivity products.

The outlook for 2012 and beyond looks relatively promising, enhanced by TXN's strong market position in several chip sectors, including analog and embedded processing, and by higher levels of manufacturing capacity.

The very healthy balance sheet should support the product development program, as well as the expansion of production facilities. TXN has over \$3 billion of cash and no debt, even after repurchasing \$2.45 billion of common stock last year. Cash flow from operations jumped 45% to \$3.8 billion during 2010.

This chip stock may be appealing to investors as a way to play the cyclical recovery in the semiconductor industry. It is pegged to outperform the market in the year ahead, reflecting the positive momentum of sales and profits in recent quarters. And despite the upturn in price over the past six months, the equity still has above-average appreciation potential out to the 2014-2016 horizon. Moreover, the stock's valuation is very reasonable. Based on estimated 2011 earnings, TXN's price-earnings ratio is about 13.

Lester Ratcliff
 April 8, 2011

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	3272	3351	3387	2491	12501
2009	2086	2457	2880	3004	10427
2010	3205	3496	3740	3525	13966
2011	3410	3570	3810	3620	14410
2012	3510	3673	3912	3725	14820

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.49	.44	.43	.21 ^D	1.57
2009	.01	.20	.42	.52	1.15
2010	.52	.62	.71	.64 ^E	2.49
2011	.58	.64	.75	.68	2.65
2012	.61	.68	.79	.72	2.80

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2007	.04	.08	.08	.10	.30
2008	.10	.10	.10	.11	.41
2009	.11	.11	.11	.12	.45
2010	.12	.12	.12	.13	.49
2011	.13				

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.04	.08	.08	.10	.30
2009	.10	.10	.10	.11	.41
2010	.11	.11	.11	.12	.45
2011	.12	.12	.12	.13	.49
2012	.13				

(A) In mill., adj. for stock splits. (B) Diluted earnings. Excl. nonrecr. gains (losses) & amort. of purchased intang.: '96, (12c); '97, 94c; '98, (19c); '99, (7c); '00, 56c; '01, (24c); '02, (42c); '03, 20c; '05, 6c. Excl. disc. operations: '06, \$1.09. Next eps. rpt. due late Apr. (C) Dividends historically paid mid-February, May, August, and November. (D) Excl. 13c restructuring charge. (E) Excl. 14c non-operating gain.

Company's Financial Strength A++
Stock's Price Stability 85
Price Growth Persistence 35
Earnings Predictability 50