

TEXAS INSTRUMENTS INC
Form DEF 14A
March 01, 2002
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SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement

- Definitive Additional Materials

- Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

TEXAS INSTRUMENTS INCORPORATED

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.

- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:

- Fee paid previously with preliminary materials.

- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:

- (4) Date
Filed:

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
APRIL 18, 2002**

Dear Stockholders:

You are cordially invited to attend the **2002 annual meeting of stockholders on Thursday, April 18, 2002** at the cafeteria on our property at 12500 TI Boulevard, Dallas, Texas, at 10:00 a.m. (Dallas time). At the meeting we will:

Elect directors for the next year.

Consider and act upon a board proposal to approve a Texas Instruments Executive Officer Performance Plan.

Consider and act upon a board proposal to approve a TI Employees 2002 Stock Purchase Plan.

Consider and act upon such other matters as may properly come before the meeting.

Stockholders of record at the close of business on February 20, 2002 are entitled to vote at the annual meeting.

We urge you to vote your shares as promptly as possible by: (1) accessing the Internet web site, (2) calling the toll-free number, or (3) signing, dating and mailing the enclosed proxy.

Sincerely,

Joseph
F.
Hubach
*Senior
Vice
President,
Secretary
and
General
Counsel*

Dallas, Texas
March 1, 2002

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EXECUTIVE OFFICES: 12500 TI BOULEVARD, DALLAS, TEXAS
MAILING ADDRESS: POST OFFICE BOX 660199, DALLAS, TEXAS 75266-0199

**PROXY STATEMENT
March 1, 2002**

VOTING PROCEDURES

TI's board of directors requests your proxy for the annual meeting of stockholders on April 18, 2002. If you sign and return the enclosed proxy, or vote by telephone or on the Internet, you authorize the persons named in the proxy to represent you and vote your shares for the purposes mentioned in the notice of annual meeting. This proxy statement and related proxy are being distributed on or about March 1, 2002.

If you come to the meeting, you can of course vote in person. But, if you don't come to the meeting, your shares can be voted only if you have returned a properly executed proxy or followed the telephone or Internet voting instructions. If you execute and return your proxy but do not give voting instructions, the shares represented by that proxy will be voted as recommended by the board of directors. You can revoke your authorization at any time before the shares are voted at the meeting.

ELECTION OF DIRECTORS

Directors are elected at the annual meeting to hold office until the next annual meeting and until their successors are elected and qualified. The board of directors has designated the following persons as nominees. Unless you withhold authority to vote for directors in your proxy, your shares will be voted for: JAMES R. ADAMS, DAVID L. BOREN, JAMES B. BUSEY IV, DANIEL A. CARP, THOMAS J. ENGIBOUS, GERALD W. FRONTERHOUSE, DAVID R. GOODE, WAYNE R. SANDERS and RUTH J. SIMMONS.

Nominees for Directorship

All of the nominees for directorship are now directors of the company. If any nominee becomes unable to serve before the meeting, the people named as proxies may vote for a substitute or the number of directors will be reduced accordingly.

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JAMES R. ADAMS *Director*

Chair, Audit Committee; member, Board Organization and Nominating Committee.

Chairman of the board of the company from 1996 to April 1998. Group president, SBC Communications Inc. from 1992 until retirement in 1995; president and chief executive officer of Southwestern Bell Telephone Company, 1988-92. Director, Inet Technologies, Inc. and Storage Technology Corp.

DAVID L. BOREN *Director*

Member, Audit Committee and Stockholder Relations and Public Policy Committee.

President of the University of Oklahoma since 1994. U.S. Senator, 1979-94; Governor of Oklahoma, 1975-79. Director, AMR Corporation, Phillips Petroleum Company and Torchmark Corporation; chairman, Oklahoma Foundation for Excellence.

JAMES B. BUSEY IV *Director*

Member, Board Organization and Nominating Committee and Compensation Committee.

Retired from U.S. Navy as Admiral in 1989. President and chief executive officer, Armed Forces Communications and Electronics Association, 1992-96; Deputy Secretary, Department of Transportation, 1991-92; Administrator, Federal Aviation Administration, 1989-91. Director, Curtiss-Wright Corporation; trustee and vice-chairman, MITRE Corporation.

DANIEL A. CARP *Director*

Chair, Board Organization and Nominating Committee; member, Stockholder Relations and Public Policy Committee.

Chairman of the board and chief executive officer of Eastman Kodak Company since 2000; president and chief operating officer since January 2002; director since 1997. President of Eastman Kodak, 1997-2001; executive vice president and assistant chief operating officer, 1995-97. Member, The Business Council and The Business Roundtable.

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THOMAS J. ENGIBOUS *Chairman, President and Chief Executive Officer*

Chairman of the board since April 1998; president and chief executive officer of the company since 1996. Joined the company in 1976; elected executive vice president in 1993. Director, Catalyst and J.C. Penney Company, Inc.; member, The Business Council and The Business Roundtable; trustee, Southern Methodist University.

GERALD W. FRONTERHOUSE *Director*

Member, Compensation Committee and Stockholder Relations and Public Policy Committee.

Investments. Chief executive officer of First RepublicBank Corporation, 1985-88. Chairman of the board and director, Hoblitzelle Foundation.

DAVID R. GOODE *Director*

Chair, Compensation Committee; member, Audit Committee.

Chairman of the board and chief executive officer of Norfolk Southern Corporation since 1992; president since 1991. Director, Caterpillar, Inc., Delta Air Lines, Inc. and Georgia-Pacific Corporation; member, The Business Council and The Business Roundtable.

WAYNE R. SANDERS *Director*

Member, Board Organization and Nominating Committee and Compensation Committee.

Chairman of the board of Kimberly-Clark Corporation since 1992; chief executive officer since 1991; director since 1989. Director, Adolph Coors Company, Coors Brewing Company; vice-chairman, board of trustees, Marquette University.

Table of ContentsRUTH J. SIMMONS *Director*

Chair, Stockholder Relations and Public Policy Committee; member, Audit Committee.

President of Brown University since 2001. President of Smith College, 1995-2001; vice provost of Princeton University, 1992-95; provost of Spelman College, 1990-91. Director, Pfizer, Inc. and The Goldman Sachs Group, Inc.; fellow, American Academy of Arts and Sciences; member, Council on Foreign Relations; trustee, Carnegie Corporation of New York.

Directors Ages, Service and Stock Ownership

The table below shows the directors' ages and holdings of common stock of the company and the year each became a director.

DIRECTOR	DIRECTOR		COMMON STOCK OWNERSHIP AT DECEMBER 31, 2001*
	AGE	SINCE	
James R. Adams	62	1989	621,280
David L. Boren	60	1995	36,380
James B. Busey IV	69	1992	57,097
Daniel A. Carp	53	1997	31,164
Thomas J. Engibous	49	1996	3,441,457
Gerald W. Fronterhouse	65	1986	66,589
David R. Goode	61	1996	36,132
Wayne R. Sanders	54	1997	37,700
Ruth J. Simmons	56	1999	15,500

* Includes (a) shares that can be acquired within 60 days through the exercise of options by Mr. Adams, 598,500 shares, Mr. Boren, 13,500 shares, Mr. Busey, 22,500 shares, Mr. Carp, 22,500 shares, Mr. Engibous, 3,305,000 shares, Mr. Fronterhouse, 22,500 shares, Mr. Goode, 22,500 shares, Mr. Sanders, 22,500 shares and Ms. Simmons, 7,500 shares; (b) shares credited to profit sharing stock accounts for Mr. Adams, 3,384 shares and Mr. Engibous, 17,714 shares; and (c) shares subject to restricted stock unit awards for Mr. Adams, 18,512 shares, Mr. Boren, 22,880 shares, Mr. Busey, 22,880 shares, Mr. Carp, 8,664 shares, Mr. Engibous, 57,600 shares, Mr. Fronterhouse, 22,880 shares, Mr. Goode, 13,632 shares, Mr. Sanders, 9,600 shares and Ms. Simmons, 8,000 shares. Excludes shares held by a family member if a director has disclaimed beneficial ownership. Each director owns less than 1% of the company's common stock.

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BOARD ORGANIZATION

Board and Committee Meetings

During 2001, the board held 10 meetings. The board has four standing committees described below. Overall attendance at board and committee meetings was approximately 95%.

Committees of the Board

Audit Committee. The Audit Committee is generally responsible for:

Evaluating and recommending to the board the appointment and, where appropriate, replacement of the independent auditors of the company.

Reviewing relationships between the independent auditors and the company (in accordance with Independence Standards Board Standard No. 1), discussing with the auditors such relationships and their impact on the auditors' independence, and recommending that the board take appropriate action to satisfy itself of the auditors' independence.

Reviewing and recommending action by the board regarding the company's annual reports to the Securities and Exchange Commission, including the audited financial statements to be included in such reports.

Discussing the company's audited financial statements with management and the independent auditors, including a discussion with the independent auditors regarding the matters required to be discussed by Statement of Auditing Standards No. 61.

Reviewing the company's quarterly reports to the Securities and Exchange Commission, including a discussion of the interim financial statements with management and the independent auditors.

Monitoring the company's news releases regarding annual and interim financial results by reviewing them before issuance, with the Committee acting as a whole or through its chair.

The Audit Committee met 5 times in 2001.

Board Organization and Nominating Committee. The Board Organization and Nominating Committee is generally responsible for:

Making recommendations to the board regarding:

Nominees for election as directors.

Structure, size and composition of the board.

Compensation of board members.

Organization and responsibilities of board committees.

Reviewing:

General responsibilities and functions of the board.

A desirable balance of expertise among board members.

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Overall company organizational health, particularly succession plans for top management positions within the company.

Any stockholder who wishes to recommend a prospective board nominee for the committee to consider can write to Joseph F. Hubach, Secretary, Board Organization and Nominating Committee, Texas Instruments Incorporated, Post Office Box 660199, MS 8658, Dallas, Texas 75266-0199.

The Board Organization and Nominating Committee met 5 times in 2001.

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Compensation Committee. The Compensation Committee is generally responsible for:

Making recommendations to the board regarding:

Institution and termination of, revisions in, and actions under employee benefit plans that (i) increase benefits only for officers of the company or disproportionately increase benefits for officers of the company more than other employees of the company or (ii) require or permit the issuance of the company's stock.

Revisions in and actions under employee benefit plans that the board must approve.

Reservation of company stock for use as awards or grants under plans or as contributions or sales to any trustee of an employee benefit plan.

Purchase of company stock in connection with employee benefit plans.

Taking action as appropriate regarding:

Institution and termination of, revisions in, and actions under employee benefit plans that are not required to be approved by the board; administration of employee benefit plans and the approval and execution of employee benefit plan documents, contracts with employee benefit plan providers and other third parties.

Changes in compensation of executive officers of the company.

The Compensation Committee met 8 times in 2001.

Stockholder Relations and Public Policy Committee. The Stockholder Relations and Public Policy Committee is generally responsible for:

Making recommendations to the board regarding:

Topics affecting the relationship between management and stockholders and public issues.

Responses to proposals submitted by stockholders.

Reviewing:

Contribution policies of the company and of the TI Foundation.

Revisions to TI's code of ethics.

The Stockholder Relations and Public Policy Committee met 3 times in 2001.

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DIRECTOR COMPENSATION

Cash Compensation

Directors who are not employees are paid each year:

A retainer of \$55,000 (\$40,000 for board service, \$15,000 for all committee service).

\$2,500 for attendance at the company's strategic planning conference.

\$2,500 for attendance at the company's annual planning conference.

Compensation for other activities, like visits to TI facilities and attendance at certain company events, is \$1,000 per day. In 2001, the company made payments (an aggregate of \$6,089) relating to premiums for life, medical, dental, travel and accident insurance policies covering directors.

Deferral Election

Subject to some limitations, directors can choose to have all or part of their compensation deferred until they leave the board (or certain other specified times). The deferred amounts are credited to either a cash account or stock unit account. Cash accounts earn interest from the company at a rate (currently based on published interest rates on certain corporate bonds) determined by the Board Organization and Nominating Committee. Stock unit accounts fluctuate in value with the underlying shares of company common stock, which will be issued after the deferral period.

Restricted Stock Units

Under the company's restricted stock unit plan for directors, new non-employee directors are given 2,000 restricted stock units, each representing one share of company common stock. The restricted stock units provide for issuance of company common stock at the time of retirement from the board, or upon earlier termination of service from the board after completing eight years of service or because of death or disability.

Stock Options

Under the company's stock option plan for non-employee directors, non-employee directors are annually granted a 10-year option to purchase 10,000 shares of the company's common stock. The purchase price of the shares is 100% of the fair market value on the date of grant. These nonqualified options become exercisable in four equal annual installments beginning on the first anniversary date of the grant and also may become fully exercisable in the event of a change in control (as defined in the plan) of the company.

Director Award Program

Each director who has been on the board for five years, and whose board membership ceases because of the mandatory retirement age or, in the case of non-employee directors, because of death or disability, can participate in a director award program. The program was established to promote the company's interest in supporting charitable institutions. The company may contribute a total of \$500,000 per eligible director to up to three charitable institutions recommended by the director and approved by the company. The contributions will be made in five annual installments of \$100,000 each following the director's death. Directors receive no financial benefit from the program, and all charitable deductions belong to the company.

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The following table shows the compensation of the company's chief executive officer and each of the four other most highly compensated executive officers for services in all capacities to the company in 1999, 2000 and 2001.

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation			All Other Compensation (3)
		Salary	Bonus	Other Annual Compensation (1)	Awards		Payouts	
					Restricted Stock Awards (2)	Stock Options (in Shares)	Long-Term Incentive Plan Payouts	
T.J. Engibous	2001	\$ 836,700	0		0	842,000	0	\$ 60,802
Chairman,	2000	\$ 796,200	\$ 1,300,000		0	700,000	0	\$ 818,556
President & CEO	1999	\$ 744,170	\$ 2,200,000		0	1,000,000	0	\$ 588,731
R.K. Templeton	2001	\$ 591,700	0		0	535,000	0	\$ 104,054
Executive Vice	2000	\$ 497,200	\$ 900,000		0	400,000	0	\$ 639,096
President & Chief Operating Officer	1999	\$ 457,670	\$ 1,500,000		0	600,000	0	\$ 430,643
W.A. Aylesworth	2001	\$ 375,850	0		0	145,000	0	\$ 13,121
Senior Vice	2000	\$ 365,400	\$ 300,000		0	100,000	0	\$ 232,424
President & Chief Financial Officer	1999	\$ 365,400	\$ 500,000		0	200,000	0	\$ 199,150
M.J. Hames (4)	2001	\$ 320,600	0		0	230,000	0	\$ 273,726
Senior Vice	2000	\$ 268,000	\$ 425,000		0	100,000	0	\$ 235,395
President								
S.P. Madavi (5)	2001	\$ 425,004	0		0	0	0	\$ 2,429,170
Senior Vice								
President								

- (1) The dollar value of perquisites and other personal benefits for each of the named executive officers was less than the established reporting thresholds.
- (2) As of December 31, 2001, the value of restricted stock units awarded to Messrs. Engibous and Templeton was \$1,612,800 and \$3,360,000, respectively. The restricted stock units for Mr. Engibous were awarded in 1996. Payments under the award are based primarily on the extent to which the company met certain performance goals during the five-year period ending December 31, 2001, but the amounts generally are payable only if Mr. Engibous remains employed by the company for a period of ten years from the date of the award. The restricted stock units for Mr. Templeton were awarded prior to his becoming an executive officer.
- (3) During 2001, the company made payments in connection with split-dollar life insurance policies in the following amounts: Mr. Engibous, \$57,382; Mr. Templeton, \$14,532; and Mr. Aylesworth, \$9,701. Also, the company made payments in connection with travel and accident insurance policies in the amount of \$20 for each of the executive officers named in the summary compensation table.

During 2001, the company made matching contributions to 401(k) accounts in the amount of \$3,400 for Messrs. Engibous, Aylesworth and Hames and \$6,800 for Messrs. Templeton and Madavi. No profit sharing payments were made for 2001. The company made contributions under its defined contribution retirement plan in the amount of \$3,400 for Messrs. Templeton and Madavi. The company accrued additional amounts of \$79,302 and \$13,376 for the benefit of Messrs. Templeton and Madavi, respectively, to offset Internal Revenue Code limitations on amounts that could be contributed to the defined contribution retirement plan.

The amount shown for Mr. Hames includes \$259,402 for relocation allowances and reimbursement of costs incurred in connection with his relocation to Dallas, Texas, and \$10,904 for unused vacation time that cannot be carried forward into 2002.

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In connection with its acquisition of Burr-Brown Corporation, the company agreed to pay Mr. Madavi a special transition bonus; \$2,405,574 of that bonus was paid in 2001. The bonus is of a non-recurring nature.

(4) Mr. Hames became an executive officer of the company in 2000.

(5) Mr. Madavi became an executive officer of the company in 2001.

Table of Option Grants in 2001

The following table shows stock options granted to the named executive officers in 2001. Additionally, in accordance with the rules of the Securities and Exchange Commission, the table shows the hypothetical gains or option spreads that would exist for the respective options. These gains are based on assumed rates of annual compound stock appreciation of 5% and 10% from the date the options were granted over the full option term. The options have a 10-year term and generally are exercisable within 30 days following the termination of an optionee's employment. The options become fully exercisable in the event of a change in control (as defined in the options) of the company. In some cases, the exercise price may be paid by delivery of already-owned shares and tax withholding obligations related to exercise may be paid in shares.

Name	Options Granted (in Shares) (1)	% Of Total Options Granted To Employees In 2001	Exercise Price (per Share)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term (10 Years)			
					5%		10%	
					Stock Price (per Share) (2)	Gain	Stock Price (per Share) (2)	Gain
T.J. Engibous	500,000	1.43%	\$ 50.38	1/17/11	\$ 82.06	\$ 15,840,000	\$ 130.67	\$ 40,145,000
	342,000	0.98%	\$ 31.30	11/29/11	\$ 50.98	\$ 6,730,560	\$ 81.18	\$ 17,058,960
R.K. Templeton	325,000	0.93%	\$ 50.38	1/17/11	\$ 82.06	\$ 10,296,000	\$ 130.67	\$ 26,094,250
	210,000	0.60%	\$ 31.30	11/29/11	\$ 50.98	\$ 4,132,800	\$ 81.18	\$ 10,474,800
W.A. Aylesworth	90,000	0.26%	\$ 50.38	1/17/11	\$ 82.06	\$ 2,851,200	\$ 130.67	\$ 7,226,100
	55,000	0.16%	\$ 31.30	11/29/11	\$ 50.98	\$ 1,082,400	\$ 81.18	\$ 2,743,400
M.J. Hames	130,000	0.37%	\$ 50.38	1/17/11	\$ 82.06	\$ 4,118,400	\$ 130.67	\$ 10,437,700
	100,000	0.29%	\$ 31.30	11/29/11	\$ 50.98	\$ 1,968,000	\$ 81.18	\$ 4,988,000
S.P. Madavi	0							

(1) These nonqualified options were granted on January 17, 2001 and November 29, 2001 and become exercisable in four equal annual installments beginning on January 17, 2002 and November 29, 2002, respectively. An option for 250,000 shares previously granted to Mr. Madavi will remain exercisable until the expiration of the term, following the termination of his employment.

(2) The price of TI common stock at the end of the 10-year term of the stock options granted on January 17, 2001 would be \$82.06 at a 5% annual appreciation rate and \$130.67 at a 10% annual appreciation rate. The price of TI common stock at the end of the 10-year term of the stock options granted on November 29, 2001 would be \$50.98 at a 5% annual appreciation rate and \$81.18 at a 10% annual appreciation rate.

Table of Option Exercises in 2001 and Year-End Option Values

The following table lists the number of shares acquired and the value realized as the result of option exercises in 2001 by the named executive officers. It also includes the number and value of the exercisable and unexercisable options as of December 31, 2001. The table contains values for in-the-money options, meaning a positive spread between the year-end share price of \$28.00 and the exercise price.

Name	Shares Acquired on Exercise	Value Realized	Number of Unexercised Options at December 31, 2001		Value of Unexercised In-the-Money Options at December 31, 2001	
			Exercisable	Unexercisable	Exercisable	Unexercisable

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T.J. Engibous			2,555,000	2,067,000	\$ 37,132,400	\$ 4,838,000
R.K. Templeton			2,090,000	1,225,000	\$ 35,989,600	\$ 2,409,600
W.A. Aylesworth			685,000	360,000	\$ 11,312,800	\$ 967,600
M.J. Hames			535,000	395,000	\$ 9,242,400	\$ 679,200
S.P. Madavi	207,000	\$ 4,960,022	649,000	651,500	\$ 6,186,495	\$ 4,197,960

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The following table shows the approximate annual benefits relating to the company's U.S. pension plan that would be payable as of December 31, 2001 to employees in higher salary classifications for the average credited earnings and years of credited service indicated. It assumes retirement at age 65. Benefits are based on eligible earnings. Eligible earnings include salary and bonus as shown in the summary compensation table. Other elements of compensation shown in the summary compensation table or referred to in the footnotes to that table are not included in eligible earnings.

In 1997, the company's U.S. employees were given the option of continuing to participate in the pension plan or to participate in a new defined contribution retirement plan. Mr. Templeton chose to participate in the new plan. Accordingly, his benefits under the pension plan (discussed in footnote 1) were frozen as of December 31, 1997. Contributions to the defined contribution plan for Mr. Templeton's benefit are included in the summary compensation table.

Mr. Madavi terminated his participation in the defined benefit pension plan of Burr-Brown Corporation in connection with the company's acquisition of Burr-Brown in 2000. Mr. Madavi has an accrued annual benefit of \$8,400 in the Burr-Brown plan. This accrued benefit is expressed as a single life annuity beginning at age 65 and will be reduced if received prior to age 65. Contributions to the company's defined contribution retirement plan for Mr. Madavi's benefit are included in the summary compensation table.

**Estimated Annual Benefits Under Pension Plan for
Specified Years of Credited Service (2)(3)**

Average Credited Earnings (1)	15 Years	20 Years	25 Years	30 Years	35 Years	40 Years	45 Years
500,000	108,314	144,418	180,523	216,627	252,732	290,232	327,732
1,000,000	220,814	294,418	368,023	441,627	515,232	590,232	665,232
1,500,000	333,314	444,418	555,523	666,627	777,732	890,232	1,002,732
2,000,000	445,814	594,418	743,022	891,627	1,040,232	1,190,232	1,340,232
2,500,000	558,314	744,418	930,522	1,116,627	1,302,732	1,490,232	1,677,732
3,000,000	670,814	894,418	1,118,022	1,341,627	1,565,232	1,790,232	2,015,232

(1) The average credited earnings is the average of the five consecutive years of highest earnings.

At December 31, 2001, the named executive officers were credited with the following years of credited service and had the following average credited earnings: Mr. Engibous, 24 years, \$2,102,816; Mr. Aylesworth, 34 years, \$795,493; and Mr. Hames, 20 years, \$670,320. Mr. Templeton had 16 years of credited service and \$536,761 in average credited earnings as of December 31, 1997.

(2) If the amount otherwise payable under the pension plan should be restricted by the applicable provisions of ERISA, the amount in excess of ERISA's restrictions will be paid by the company.

(3) The benefits under the pension plan are computed as a single life annuity beginning at age 65.

The amounts shown in the table reflect the offset provided in the pension plan under the pension formula adopted July 1, 1989 to comply with the social security integration requirements. The integration offset is \$4,186 for 15 years of credited service, \$5,582 for 20 years of credited service, \$6,977 for 25 years of credited service, \$8,373 for 30 years of credited service, \$9,768 for 35 years of credited service, \$9,768 for 40 years of credited service and \$9,768 for 45 years of credited service.

Employment Agreements and Termination of Employment and Change in Control Arrangements

The company does not have any employment contracts with its executive officers. However, in October 1996, Burr-Brown Corporation, which the company acquired in 2000, entered into a severance agreement with Mr. Madavi, Burr-Brown's President and Chief Executive Officer at the time. Under this agreement, severance benefits will be paid to Mr. Madavi upon his termination of employment under

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certain specified circumstances. In the absence of a change in control of the company, the agreement does not provide any severance benefits to Mr. Madavi in the event of his voluntary resignation or if his employment is terminated for misconduct. If the company terminated Mr. Madavi's employment for a justifiable reason (including his failure to correct one or more material deficiencies in his performance after receipt of written notice from the Board), then he would be entitled to: (i) a one-time lump sum payment equal to his average annual base salary and bonus for the preceding three years and (ii) the continuation of his base salary for twelve months. If the company terminated Mr. Madavi's employment without cause (for any reason other than misconduct or a justifiable reason), then the company would pay him a severance benefit equal to two times his average annual base salary and bonus for the preceding three years, with one-half of such amount to be paid in an immediate lump sum and the balance to be paid in twelve equal monthly installments.

If the company incurred a change in control (a change in ownership of more than fifty percent of the total combined voting power of the company's outstanding securities or the sale of all or substantially all of the company's assets or dissolution of the company), then Mr. Madavi would be entitled to a severance benefit equal to: (a) two times his average annual base salary and bonus for the preceding three years, if he voluntarily left the company within two years after the change in control; (b) three times his average annual base salary and bonus for the preceding three years, if he was constructively terminated within six months after the change in control; or (c) four times his average annual base salary and bonus for the preceding three years, if he is terminated without cause following the change in control. In addition, if the company were acquired through a hostile takeover and Mr. Madavi left the company's employ at any time within the succeeding two years, then he would be entitled to a lump sum severance payment equal to two times his average annual base salary and bonus for the preceding three years.

The severance agreement also imposes certain non-competition covenants and consulting obligations upon Mr. Madavi during the period severance benefits are to be paid to him following his termination of employment, whether or not such termination is in connection with a change in control. In addition, the company will, at its expense, provide continued health care coverage under the company's medical/dental plans to Mr. Madavi and his eligible dependents for up to a twelve-month period following his termination.

The severance agreement also requires that all future option grants made to Mr. Madavi contain certain vesting acceleration provisions, ranging from twenty percent (20%) to one hundred percent (100%) accelerated vesting, in connection with his termination of employment or certain changes in control or ownership of the company.

The severance agreement was effective through December 31, 2001 and automatically renewed on January 1, 2002 and will renew each calendar year thereafter unless the company gives written notice of non-renewal at least one hundred eighty days prior to the start of any such subsequent calendar year. Should Mr. Madavi resign within six months after such non-renewal, the company will be obligated to negotiate a reasonable severance package with him comparable to termination benefits provided to similarly-situated chief executive officers in the industry.

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COMPENSATION COMMITTEE REPORT

The Compensation Committee of the board of directors has furnished the following report on executive compensation paid or awarded to executive officers for 2001:

The company's executive compensation program is administered by the Compensation Committee of the board of directors (the Committee), which is composed of the individuals listed below, all of whom are independent directors of the company. The program consists of base salaries, annual performance awards and long-term compensation. At higher management levels, the mix of compensation is significantly weighted more to the performance-based components' annual performance awards and long-term compensation.

In determining the compensation of the executive officers, the Committee considered compensation practices of competitor companies (based on the best available data from as many competitor companies as practicable) and the relative performance of TI and competitor companies. The competitor companies are major high-technology competitors of the company. While many of these companies are included in the S&P Technology Sector Index appearing in the graph regarding total shareholder return on page 14, these companies are not the same as the companies comprising that index. The Committee also considered the contribution of each executive officer toward achieving the company's prior year and long-term strategic objectives; in this connection, the Chairman and CEO made recommendations regarding the components of each executive officer's compensation package except his own.

In its considerations, the Committee did not assign quantitative relative weights to different factors or follow mathematical formulae. Rather, the Committee exercised its discretion and made a judgment after considering the factors it deemed relevant. The Committee's decisions regarding 2001 executive compensation were designed to: (1) align the interests of executive officers with the interests of the stockholders by providing performance-based awards; and (2) allow the company to compete for and retain executive officers critical to the company's success by providing an opportunity for compensation that is comparable to the levels offered by competitor companies.

Section 162(m) of the Internal Revenue Code generally denies a deduction to any publicly held corporation for compensation paid in a taxable year to the company's CEO and four other highest compensated officers to the extent that the officer's compensation (other than qualified performance-based compensation) exceeds \$1 million. The company believes the Executive Officer Performance Plan approved in April 1997 allows performance-based compensation for the company's executive officers that complies with the requirements for full deductibility under Section 162(m).

Compensation Components and Determination

Compensation decisions for 2001 were made such that TI executive officers receive a level of total annual compensation that, when compared to the total annual compensation of competitor companies, reflects the company's performance relative to those competitor companies. In order to weight more of total compensation to performance-based components, the Committee's base salary decisions are intended to provide salaries somewhat lower than the median level of salaries for similarly situated executive officers of competitor companies, or of divisions within competitor companies, of similar size (in terms of total revenues and market capitalization). Decisions regarding annual performance awards for 2001 were primarily driven by the company's performance on three measures: profit from operations as a percent of revenues for the year, change in net revenues from the prior year, and total shareholder return for the year.

Guidelines for awards granted under TI's long-term incentive program were set with the intention of providing TI executive officers with stock option grants for a comparable number of shares and value to those granted by competitor companies. The Committee, in its discretion, adjusted the awards considering each executive officer's individual contribution to the implementation of the strategic plan of the company.

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Base Salary

The Committee reviewed base salaries for executive officers of competitor companies and set base salaries for its executive officers somewhat lower than competitive levels. Mr. Engibous' annual salary during 2001 was below the median annual salary of CEOs of competitor companies.

Annual Performance Award

The annual performance award varies significantly based on the company's profitability, revenue growth, and total shareholder return; the achievement of the strategic objectives of the company; and each individual's contribution toward that performance. The Committee considered rankings of estimates of competitor companies' 2001 performance compared to the company's performance, and determined to grant no annual performance awards to executive officers. Accordingly, the level of annual compensation for 2001 (base salary plus incentive awards) of Mr. Engibous was below the median annual compensation of CEOs of competitor companies.

Long-term Compensation

Stock options constitute TI's primary long-term incentive vehicle. Stock options granted in 2001 were granted at 100% of fair market value on the date of grant, have a 10-year term, do not become exercisable until one year after grant, and then become exercisable in four equal annual installments. Any value actually realized by executive officers from option grants depends completely upon increases in the price of TI common stock. As a result, the grants focus the executive officers on building value for stockholders.

The Committee made long-term compensation determinations in January and November 2001 and, for one executive officer, also in June 2001. In connection with its determinations, the Committee reviewed the officers' continuing contributions to achieving the strategic objectives of the company and followed the guidelines for stock options. Considering Mr. Engibous' continuing contribution to execution of the strategic plan for the company, the Committee granted Mr. Engibous options for a total of 842,000 shares, resulting in a total long-term compensation opportunity comparable to those of CEOs of competitor companies.

The ranking of total compensation (annual plus long-term) for Mr. Engibous as compared to the total compensation of CEOs of competitor companies was intended to approximate the estimated ranking of TI performance compared to the performance of competitor companies.

David R. Goode, Chair
James B. Busey IV

Gerald W. Fronterhouse
Wayne R. Sanders

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COMPARISON OF TOTAL SHAREHOLDER RETURN

This graph compares TI's total shareholder return with the S&P 500 Index and the S&P Technology Sector Index over a five-year period, beginning December 31, 1996, and ending December 31, 2001. The total shareholder return assumes \$100 invested at the beginning of the period in TI common stock, the S&P 500 Index and the S&P Technology Sector Index. It also assumes reinvestment of all dividends.

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FINANCIAL INFORMATION

Financial Statements

The consolidated financial statements and auditors' report, the management discussion and analysis of financial condition and results of operations, information concerning the quarterly financial data for the fiscal year ended December 31, 2001 and other information are attached as Exhibit C to this proxy statement.

Independent Auditors

The board has, in accordance with the recommendation of its Audit Committee, chosen the firm of Ernst & Young LLP as independent auditors for the company. Representatives of Ernst & Young are expected to be present, and to be available to respond to appropriate questions, at the annual meeting. They have the opportunity to make a statement if they desire to do so; they have indicated that, as of this date, they do not.

Audit Fees. Ernst & Young's fees for our 2001 annual audit and review of interim financial statements were \$2,986,000.

Financial Information Systems Design and Implementation Fees. Ernst & Young did not render any professional services to us in 2001 with respect to financial information systems design and implementation.

All Other Fees. Ernst & Young's fees for all other professional services rendered to us during 2001 were \$4,509,000, including audit related services of \$1,329,000 and non-audit services of \$3,180,000. Audit related services included fees for statutory audits, employee benefit plans audits and accounting consultations. Non-audit services included fees for expatriate administration and tax preparation, preparation of non-U.S. tax returns and tax consultations.

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AUDIT COMMITTEE REPORT

The Audit Committee of the board of directors has furnished the following report:

The company's board of directors has adopted a written charter (Statement of Responsibilities) for the Audit Committee.

The board has determined that each member of the Committee is independent, as defined in the listing standards of the New York Stock Exchange.

As noted in the Committee's charter, the company's management is responsible for preparing the company's financial statements. The company's independent auditors are responsible for auditing the financial statements. The activities of the Committee are in no way designed to supersede or alter those traditional responsibilities. The Committee's role does not provide any special assurances with regard to the company's financial statements, nor does it involve a professional evaluation of the quality of the audits performed by the independent auditors.

The Committee has reviewed and discussed the audited financial statements with management.

The Committee has discussed with the independent auditors, Ernst & Young, the matters required to be discussed by Statement of Auditing Standards No. 61, *Communication with Audit Committees*.

The Committee has received the written disclosures and the letter from the independent auditors required by Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees*, has considered the compatibility of non-audit services with the auditors' independence, and has discussed with the auditors the auditors' independence.

Based on the review and discussions referred to above, the Committee recommended to the board of directors that the audited financial statements be included in the company's Annual Report on Form 10-K for 2001 for filing with the Securities and Exchange Commission.

James R. Adams, Chair
David L. Boren

David R. Goode
Ruth J. Simmons

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**PROPOSAL TO APPROVE THE TEXAS INSTRUMENTS
EXECUTIVE OFFICER PERFORMANCE PLAN**

Section 162(m) of the Internal Revenue Code places a limit of \$1,000,000 on the amount of compensation that may be deducted by the company in any tax year with respect to the company's five most highly paid executives. However, certain performance-based compensation that has been approved by stockholders is not subject to the deduction limit. In order to maximize the company's deduction for compensation paid to its executive officers, the board of directors has adopted, subject to stockholder approval, the Texas Instruments Executive Officer Performance Plan. If approved by stockholders, the new plan will replace the current Executive Officer Performance Plan approved in 1997. The proposed Plan is substantially the same as the current plan.

Texas Instruments Executive Officer Performance Plan

The full text of the proposed Texas Instruments Executive Officer Performance Plan is shown on Exhibit A to this proxy statement. The principal features of the Plan are summarized below.

The purpose of the Texas Instruments Executive Officer Performance Plan is to provide performance-based compensation for the company's executive officers, and the Plan is intended to provide such compensation in accordance with Section 162(m) of the Internal Revenue Code.

Employees covered under the Plan are the executive officers of the company, as defined in Rule 3b-7 under the Securities Exchange Act of 1934. The Plan will be administered by the Compensation Committee, and, subject to the Committee's discretion to reduce the awards, each executive officer of the company will be entitled to an annual award for each performance year under the Plan equal to 0.5% of the company's consolidated income from continuing operations before (i) provision for income taxes, (ii) awards under the Plan, (iii) any pretax gain or loss exceeding \$25 million recognized for the year related to divestiture of a business, and (iv) any write-off of in-process research and development expenses exceeding \$25 million associated with an acquisition.

After the end of each performance year, the company's independent auditors will determine and report to the Compensation Committee, and the Compensation Committee will certify, the amount of each award for that year under the Plan. The Compensation Committee, based on such factors as it deems appropriate, may reduce (including a reduction to zero), but may not increase, the amount of any award under the Plan for that year.

All awards under the Plan will be paid in cash. The Compensation Committee may, however, direct that any such award be paid in equal or varying installments and may prescribe any other terms and conditions of payment as it deems appropriate, including completion of specific periods of employment with the company.

The awards that would be received by executive officers under the proposed Plan are not determinable at this time. Had the Plan been in effect for the year 2001, executive officers would not have received any amounts under the Plan. No awards were received for the year 2001 by executive officers under the current plan.

The board of directors recommends a vote **FOR** the Texas Instruments Executive Officer Performance Plan.

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**PROPOSAL TO APPROVE THE TI EMPLOYEES
2002 STOCK PURCHASE PLAN**

In order to enable the company to continue to provide flexible and competitive employee benefits, the board proposes that the TI Employees 2002 Stock Purchase Plan replace the TI Employees 1997 Stock Purchase Plan, which will expire by its terms on April 19, 2002. The new Plan is substantially the same as the 1997 plan.

TI Employees 2002 Stock Purchase Plan

The full text of the proposed TI Employees 2002 Stock Purchase Plan is shown on Exhibit B to this proxy statement. The principal features of the Plan are summarized below.

Plan Provisions. Each year during the term of the TI Employees 2002 Stock Purchase Plan, unless the Compensation Committee determines otherwise, TI will make one or more offers to each eligible employee of options to purchase TI common stock through voluntary payroll deductions. Each eligible employee will be entitled to purchase up to that number of shares which could be purchased at the option price (for this purpose, the price determined by the Compensation Committee as of the date of grant, without regard to any lower price that may become applicable at exercise) with an amount equal to such percentage of the employee's compensation as the Compensation Committee may determine (but not exceeding the amount specified in Section 423(b) of the Internal Revenue Code) for any offering.

The option price for each offering will be determined by the Compensation Committee and will not be less than 85% of fair market value on the date of grant; provided that the Compensation Committee may also provide for an alternative, lower option price which may not be less than 85% of fair market value on the date the option is exercised.

The expiration date of the options will be determined for each offering by the Compensation Committee but will not in any event be later than 27 months from the date the option was granted. The term of an option will consist of an Enrollment Period, a Payroll Deduction Period and an Exercise Day. The beginning and ending dates of each Enrollment Period and Payroll Deduction Period and the date of each Exercise Day will be determined by the Compensation Committee. Each eligible employee who wishes to participate will elect to do so by the end of the Enrollment Period. Generally, the election to participate will automatically renew for each subsequent offering until cancelled by the employee. The employee's election will indicate the number of shares for which such employee wishes to participate and will authorize payroll deductions, to be made over the Payroll Deduction Period, which will aggregate to no more than the amount required to purchase the maximum number of shares covered by the employee's option. At any time during the Payroll Deduction Period, a participant may cancel but not reduce his or her payroll deduction and withdraw all, but not a part, of the amount credited to his or her account. After completion of the Payroll Deduction Period the option will be automatically exercised on the Exercise Day.

No more than 20,000,000 shares of TI common stock may be sold pursuant to the TI Employees 2002 Stock Purchase Plan, subject to adjustments as described below. In the event that the Compensation Committee determines that an adjustment is appropriate by reason of any dividend or other distribution, recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares or other securities of the company, issuance of warrants or other rights to purchase shares or other securities of the company, or other similar corporate transaction or event, it shall adjust any or all of (i) the number and type of shares that

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may be made subject to options, (ii) the number and type of shares subject to outstanding options, and (iii) the grant, purchase or exercise price with respect to any option.

Either authorized and unissued shares or issued shares reacquired by the company may be made subject to options under the Plan. Any shares not purchased prior to the termination of an option may be again subjected to an option under the Plan. An employee will not be granted an option under the Plan if the employee, immediately after the option is granted, owns stock having 5% or more of the total combined voting power or value of all classes of stock of the company. No employee will be granted an option that permits the employee to accrue rights to purchase stock under all employee stock purchase plans of the company at a rate that exceeds \$25,000 (or such other maximum as may be prescribed from time to time under the Internal Revenue Code) of fair market value of such stock (determined at the time such option is granted) for each calendar year in which the option is outstanding at any time in accordance with the provisions of Section 423(b)(8) of the Internal Revenue Code. No offering may be made under the Plan after April 19, 2012.

On or prior to the date of each offering, the Compensation Committee will determine the effect of an employee's termination of employment during the term of any option granted to him or her in the offering. No option will be exercisable under any conditions after the expiration of 27 months from the Exercise Day. Options are exercisable only by the employee to whom they were granted during his or her lifetime or, in the case of incompetency, by the employee's duly appointed representative, and they are not transferable otherwise than by will or the laws of descent and distribution.

All shares purchased under an option will be paid for in full at the time the option is exercised by transfer of the purchase price from the employee's payroll deduction account.

Plan Benefits. Each executive officer qualifies for participation under the Plan and is eligible to annually purchase up to \$25,000 worth of the company's stock at a discount below the market price. However, participation in the Plan is voluntary and is dependent upon each executive officer's election to participate, his or her determination as to the level of payroll deductions and the fair market value of the stock on the Exercise Day. Accordingly, future benefits that would be received by the executive officers and other eligible employees under the proposed Plan are not determinable at this time.

Tax Consequences. The Plan is intended to qualify as an employee stock purchase plan under Section 423 of the Internal Revenue Code.

The board of directors is advised by counsel for the company that an employee will not be deemed to have received any compensation for federal income tax purposes at the time of either the grant or the exercise of an option under the Plan. If an employee exercises an option under the Plan and does not dispose of the shares thus acquired until more than two years after the date the option was granted, nor until more than one year after the transfer of the shares to him or her, any profit realized upon the disposition will be treated as a long-term capital gain, provided the option price determined by the Compensation Committee as of the date of grant (without regard to any lower price that may become applicable at exercise) was at least 100% of the fair market value of the shares at the time granted. If, however, the option price determined by the Compensation Committee as of the date of grant (without regard to any lower price that may become applicable at exercise) was less than 100% of the fair market value of the shares on the date of grant, then upon a disposition of the shares after satisfaction of the required holding period or upon the employee's death while owning such shares, there must be reported as ordinary income (regardless of whether the option was exercised at an alternative, lower price) an amount that equals the lesser of (1) the amount by which the fair market value of the shares at the time the option was granted exceeds the option price determined by the Compensation Committee at the date of grant (without regard to any lower price that may become applicable at exercise) or (2) the amount by which the fair market value of the shares at the time of such disposition

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or death exceeds such option price. In the case of the disposition of such shares after satisfaction of the required holding period, the remainder of any profit realized will be treated as a long-term capital gain. If the stock is disposed of after the required holding period, the company will not be entitled to a deduction for federal income tax purposes in connection with either the grant or the exercise of the option. However, if the optionee disposes of such shares other than as described above, the company will be entitled to a deduction for federal income tax purposes in an amount equal to the ordinary income, if any, realized by the optionee.

The board of directors recommends a vote FOR the TI Employees 2002 Stock Purchase Plan.

Table of Contents**ADDITIONAL INFORMATION****Voting Securities**

As of February 20, 2002, 1,734,071,179 shares of the company's common stock were outstanding. This is the only class of capital stock entitled to vote at the meeting. Each holder of common stock has one vote for each share held. As stated in the notice of meeting, holders of record of the common stock at the close of business on February 20, 2002 may vote at the meeting or any adjournment of the meeting.

Share Ownership of Certain Persons

The following table shows (a) the only person that has reported beneficial ownership of more than 5% of the common stock of the company, and (b) the ownership of the company's common stock by the named executive officers, and all executive officers and directors as a group. Persons generally beneficially own shares if they have either the right to vote those shares or dispose of them. More than one person may be considered to beneficially own the same shares.

Name and Address	Shares Owned at December 31, 2001	Percent of Class
Capital Research and Management Company 333 South Hope Street Los Angeles, CA 90071	103,387,520 (1)	6.0%
Thomas J. Engibous	3,441,457 (2)	*
Richard K. Templeton	2,642,083 (2)	*
William A. Aylesworth	1,038,662 (2)	*
Michael J. Hames	709,933 (2)	*
Syrus P. Madavi	818,000 (2)	*
All executive officers and directors as a group	12,183,168 (2)(3)	*

* Less than 1%

- (1) The company understands that, as of December 31, 2001, Capital Research and Management Company had sole dispositive power with respect to all of the above shares.
- (2) Includes (a) shares subject to acquisition within 60 days by Messrs. Engibous, Templeton, Aylesworth, Hames and Madavi for 3,305,000, 2,511,250, 822,500, 652,500 and 766,000 shares, respectively, (b) shares credited to profit sharing stock accounts for Messrs. Engibous, Templeton, Aylesworth and Hames, in the amounts of 17,714, 10,832, 23,538 and 6,803 shares, respectively, and (c) shares subject to restricted stock unit awards for Messrs. Engibous and Templeton, in the amounts of 57,600 and 120,000 shares, respectively. Excludes shares held by a family member if a director or officer has disclaimed beneficial ownership.
- (3) Includes (a) 11,049,000 shares subject to acquisition within 60 days, (b) 171,907 shares credited to profit sharing stock accounts, and (c) 400,648 shares subject to restricted stock unit awards.

Certain Business Relationships

Joseph F. Hubach, senior vice president, secretary and general counsel of the company, is the brother of Francis P. Hubach, Jr., partner in charge of the Dallas office of the law firm of Jones, Day, Reavis & Pogue. The company engaged the services of Jones, Day, Reavis & Pogue during 2001.

Cost of Solicitation

The solicitation is made on behalf of the board of directors of the company. The company will pay the cost of soliciting these proxies. We will reimburse brokerage houses and other custodians, nominees and fiduciaries for reasonable expenses they incur in sending these proxy materials to you if you are a beneficial holder of our shares.

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Without receiving additional compensation, officials and regular employees of the company may solicit proxies personally, by telephone, fax or e-mail from some stockholders if proxies are not promptly received. We have also hired Georgeson Shareholder Communications, Inc. to assist in the solicitation of proxies at a cost of \$12,000 plus out-of-pocket expenses.

Proposals of Stockholders

If you wish to submit a proposal for possible inclusion in the company's 2003 proxy material, we must receive your notice, in accordance with rules of the Securities and Exchange Commission, on or before November 1, 2002.

If you wish to submit a proposal at the 2003 annual meeting (but not seek inclusion of the proposal in the company's proxy material), we must receive your notice, in accordance with the company's by-laws, on or before January 18, 2003.

Suggestions from stockholders concerning the company's business are welcome and all will be carefully considered by the company's management. So that your suggestions receive appropriate review, the Stockholder Relations and Public Policy Committee from time to time reviews correspondence from stockholders and management's responses. This way, stockholders are given access at the board level without having to resort to formal stockholder proposals. Generally, the board prefers you present your views in this manner rather than through the process of formal stockholder proposals.

Quorum Requirement

A quorum of stockholders is necessary to hold a valid meeting. If at least a majority of the shares of TI stock issued and outstanding and eligible to vote are present in person or by proxy, a quorum will exist.

Vote Required

The nine nominees receiving the greatest number of votes cast by those entitled to vote will be elected.

For all other matters submitted at the meeting (including the proposals to approve the Texas Instruments Executive Officer Performance Plan and the TI Employees 2002 Stock Purchase Plan), an affirmative vote of the majority of the shares present in person or by proxy is necessary for approval.

We do not expect any matters to be presented for a vote at the annual meeting other than (1) the election of directors, (2) the proposal to approve the Texas Instruments Executive Officer Performance Plan, and (3) the proposal to approve the TI Employees 2002 Stock Purchase Plan. If you grant a proxy, the persons named in the proxy will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting.

Under Delaware law and the company's Restated Certificate of Incorporation and By-Laws, the aggregate number of votes entitled to be cast by all stockholders present in person or represented by proxy at the meeting, whether those stockholders vote FOR or AGAINST or abstain from voting, will be counted for purposes of determining the minimum number of affirmative votes required for approval of such matters. The total number of votes cast FOR each of these matters will be counted for purposes of determining whether sufficient affirmative votes have been cast. An abstention from voting on a matter by a stockholder present in person or represented by proxy at the meeting has the same legal effect as a vote AGAINST the matter even though the stockholder or interested parties analyzing the results of the voting may interpret such a vote differently.

Benefit Plan Voting

If you are a participant in the TI Contribution and 401(k) Savings Plan, the TI 401(k) Savings Plan or the Burr-Brown Corporation Future Investment Plan, you are entitled to direct the voting of shares allocable to your accounts under these plans. The trustee administering your plan will vote your shares in accordance with your instructions. If you wish to instruct the trustee on the voting of shares held for your accounts, you should vote by April 15, 2002.

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Additionally, participants under the plans are designated as named fiduciaries for the purpose of voting TI stock held under the plans for which no voting direction is received. TI shares held by the TI Contribution and 401(k) Savings Plan or the TI 401(k) Savings Plan for which no voting instructions are received by April 15, 2002 will be voted in the same proportions as the shares in the plans for which voting instructions have been received by that date. TI shares held under the Burr-Brown Corporation Future Investment Plan for which no instructions are received by April 15, 2002 will not be voted.

Telephone and Internet Voting

Registered Stockholders and Benefit Plan Participants. Stockholders with shares registered directly with Computershare and participants who beneficially own shares in a company benefit plan may vote telephonically by calling (800) 690-6903 (within the U.S. and Canada only, toll-free) or via the Internet at the following address on the World Wide Web:

www.proxyvote.com

Stockholders with Shares Registered in the Name of a Brokerage Firm or Bank. A number of brokerage firms and banks offer telephone and Internet voting options. These programs may differ from the program provided to registered stockholders and benefit plan participants. Check the information forwarded by your bank, broker or other holder of record to see which options are available to you.

The telephone and Internet voting procedures are designed to authenticate stockholders' identities, to allow stockholders to give their voting instructions and to confirm that stockholders' instructions have been recorded properly. The company has been advised by counsel that the telephone and Internet voting procedures that have been made available through ADP Investor Communication Services are consistent with the requirements of applicable law. Stockholders voting via the Internet should understand that there may be costs associated with electronic access, such as usage charges from telephone companies and Internet access providers, that must be borne by the stockholder.

Multiple Stockholders Sharing the Same Address

To reduce the expenses of delivering duplicate proxy materials, we are taking advantage of the SEC's new householding rules that permit us to deliver only one set of proxy materials to stockholders who share an address unless otherwise requested. If you share an address with another stockholder and have received only one set of proxy materials, you may request a separate copy of these materials at no cost to you by calling Investor Relations at (972) 995-3773 or by writing to Texas Instruments Incorporated, P.O. Box 660199, MS 8657, Dallas, TX 75266-0199, Attn: Investor Relations. For future annual meetings, you may request separate voting materials, or request that we send only one set of proxy materials to you if you are receiving multiple copies, by calling (800) 542-1061 or writing to Investor Relations at the address given above.

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Electronic Delivery of Proxy Materials

As an alternative to receiving printed copies of these materials in future years, we are pleased to offer stockholders the opportunity to receive proxy mailings electronically. To request electronic delivery, please vote via the Internet at www.proxyvote.com and, when prompted, enroll to receive or access proxy materials electronically in future years.

After the meeting date, stockholders holding shares through a broker or bank may request electronic delivery by visiting www.icsdelivery.com/ti and entering information for each account held by a bank or broker. If you are a registered stockholder or a participant in a TI benefit plan and would like to enroll, please visit www.ti.com/IR or call Investor Relations at (972) 995-3773 for more information.

By Order of
the Board
of
Directors,

Joseph
F.
Hubach
*Senior
Vice
President,
Secretary
and
General
Counsel*

Dallas, Texas
March 1, 2002

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EXHIBIT A

TEXAS INSTRUMENTS EXECUTIVE OFFICER PERFORMANCE PLAN

Dated April 18, 2002

The purpose of the Plan is to promote the success of the Company by providing performance-based compensation for executive officers.

For purposes of the Plan, unless otherwise indicated, the term "TI" shall mean Texas Instruments Incorporated, "Company" shall mean TI and its subsidiaries, and "Board" shall mean the Board of Directors of TI.

The Plan is intended to provide qualified performance-based compensation in accordance with Section 162(m) of the Internal Revenue Code of 1986, as amended, and regulations thereunder ("Code") and will be so interpreted.

Covered Employees

The executive officers of TI (within the meaning of Rule 3b-7 under the Securities Exchange Act of 1934 as amended from time to time) as of March 30 of each calendar year ("performance year") shall receive awards under the Plan for such performance year. An individual who becomes an executive officer after March 30 and on or before October 1 of a performance year shall receive an award as provided below.

Administration of Plan

The Plan shall be administered by a Committee of the Board which shall be known as the Compensation Committee (the "Committee"). The Committee 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 the director is an "outside director" as described in Section 162(m) of the Code. 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 reductions in awards under the Plan. In determining whether to reduce any award and the amount of any reduction, the Committee shall take into consideration such factors as the Committee shall determine.

Expenses of Administration

The expenses of the administration of this Plan, including the interest provided in the Plan, shall be borne by the Company.

Amendments

The Board 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 (i) affect or impair the rights under any award theretofore granted under the Plan, except that in the case of a covered employee employed outside the United States the Committee may vary the provisions of the Plan as it may deem appropriate to conform with local laws, practices and procedures or (ii) increase the maximum amount of any award above the amount described below.

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Awards

Subject to the Committee's discretion to reduce such awards, each covered employee shall be entitled to an award for each performance year equal to 0.5% of the Company's consolidated income from continuing operations before (i) provision for income taxes, (ii) awards under the Plan, (iii) any pretax gain or loss exceeding \$25 million recognized for the year related to divestiture of a business and (iv) any write-off of in process research and development expenses exceeding \$25 million associated with an acquisition, as determined and reported to the Committee by TI's independent auditors (Consolidated Income).

An individual who becomes an executive officer after March 30 and on or before October 1 of a performance year shall be entitled to a prorated award for that performance year which shall be 0.5% of the Company's Consolidated Income, as defined above, for such performance year multiplied by a fraction, the numerator of which is the number of complete calendar quarters of such year following the date on which the individual becomes an executive officer and the denominator of which is 4. Such prorated award shall be subject to the Committee's discretion to reduce awards.

Scope of the Plan

Nothing in this Plan shall be construed as precluding or prohibiting the Company from establishing or maintaining other bonus or compensation arrangements, which may be generally applicable or applicable only to selected employees or officers.

Report of Awards; Committee Discretion to Reduce

As soon as practicable after the end of each performance year, TI's independent auditors shall determine and report to the Committee and the Committee shall certify the amount of each award for that year under the provisions of this Plan.

The Committee, in its sole discretion, based on any factors the Committee deems appropriate, may reduce the award to any covered employee in any year (including reduction to zero if the Committee so determines). The Committee shall make a determination of whether and to what extent to reduce awards under the Plan for each year at such time or times following the close of the performance year as the Committee shall deem appropriate. The reduction in the amount of an award to any covered employee for a performance year shall have no effect on the amount of the award to any other covered employee for such year.

Payment of Awards

Awards and any installments thereof shall be paid in cash as of a date or dates determined by the Committee or, if the Committee makes no determination, then as soon as practicable after the amount of the awards has been determined.

The Committee may direct the awards to the covered employees or any of them for any year to be paid in a single amount or in installments of equal or varying amounts or may defer payment of any awards and may prescribe such terms and conditions concerning payment of awards as it deems appropriate, including completion of specific periods of employment with the Company, provided that such terms and conditions are not more favorable to a covered employee than those expressly set forth in the Plan. The Committee may determine that interest will be payable with respect to any payment of any award. The Committee may at any time amend any such direction and may amend or delete any such terms and conditions if the Committee deems it appropriate. The Committee's actions under this paragraph shall be subject to and in accordance with the rules governing qualified performance based compensation in Section 162(m) of the Code.

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

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EXHIBIT B

**TI EMPLOYEES 2002 STOCK PURCHASE PLAN
Dated April 18, 2002**

The TI Employees 2002 Stock Purchase Plan (the Plan) is designed to encourage in all Employees a proprietary interest in the Company. The Plan provides for all eligible Employees the option to purchase shares of the common stock of the Company through voluntary systematic payroll deductions. The options provided to participants under the Plan shall be in addition to regular salaries, profit sharing, pension, life insurance, special payments or other benefits related to a participant s employment with the Company. It is the intention of the Company to have the Plan qualify as an Employee Stock Purchase Plan pursuant to Section 423 of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder (the Code). The provisions of the Plan shall be construed so as to extend and limit participation in a uniform and nondiscriminatory basis consistent with the requirements of section 423 of the Code.

For the purposes of the Plan unless otherwise indicated, the term TI shall mean Texas Instruments Incorporated, Company shall mean TI and its subsidiaries where substantially all of their voting stock is owned directly or indirectly by TI, Employee shall mean an individual who is a full-time or part-time employee of the Company, and Board shall mean the Board of Directors of TI.

Eligibility

All Employees of TI, and such of its subsidiaries as the Committee described below shall from time to time designate, who are Employees on the date of grant of the option shall be eligible to participate in offerings of options under the Plan. 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 which shall be known as the Compensation Committee (the Committee). The Committee 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 the director is an outside director as described in Section 162(m) of the Code. The Committee shall have full power and authority to construe, interpret and administer this 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 establish the terms of each offering of common stock of TI under the Plan except as otherwise expressly provided in this Plan. 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 TI (including, without limitation, a committee of one or more members of management appointed by the Committee); provided, however, that any delegation to management shall conform with the requirements of the General Corporation Law of Delaware and Rule 16b-3 under the Securities Exchange Act of 1934, as in effect from time to time. The Committee may also recommend to the Board revisions in this Plan.

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Expenses of Administration

Except as otherwise determined by the Committee, any broker commissions, fees or other expenses incurred in connection with the exercise of an option hereunder or as a result of the opening or maintenance of accounts for Employees and the purchase and sale of common stock of TI on behalf of Employees shall be paid by the Employee who incurs the expenses and any other expenses of the administration of this Plan shall be borne by TI and charged against net income.

Amendments

The Committee 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 option theretofore granted under the Plan, except that in the case of an Employee employed outside the United States (or such Employee's beneficiary) the Committee 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 TI shall have first approved thereof, the total number of shares for which options may be exercised under the Plan shall not be increased or decreased, except as adjusted below under Adjustments, and no amendment shall be made which shall allow an option price for offerings under the Plan to be less than 85% of the fair market value of the common stock of TI on the date of grant of the options or 85% of the fair market value of the common stock of TI on the date on which an option is exercised, if lower.

Notwithstanding the foregoing, the board of directors of any subsidiary of TI with approval of the Committee may adopt separate stock purchase plans with respect to Employees employed outside the United States with such provisions as the Committee may deem appropriate to conform with local laws, practices and procedures, and to permit exclusion of certain Employees from participation. All such plans shall be subject to the limitations on the amount of stock that may be issued under the Plan and, except to the extent otherwise provided in such plans, shall be subject to all of the provisions set forth herein.

Offerings

Each year during the term of the Plan, unless the Committee determines otherwise, TI will make one or more offerings in which options to purchase TI common stock will be granted to all Employees then eligible to participate in the Plan.

Limitations on Grants

No more than 20,000,000 shares may be sold pursuant to options granted under the Plan, subject to adjustments as described below. Either authorized and unissued shares or issued shares heretofore or hereafter acquired by TI may be made subject to option under the Plan. If for any reason any option under the Plan terminates in whole or in part, shares subject to such terminated option may be again subjected to an option under the Plan.

Adjustments

In the event that the Committee shall determine that any dividend or other distribution (whether in the form of cash, shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares or other securities of TI, issuance of warrants or other rights to purchase shares or other securities of TI, or other similar corporate transaction or event affects the shares such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of (i) the number and type of shares which may be made the subject of options, (ii) the number and type of shares subject to outstanding options, and (iii) the grant, purchase or exercise price with respect to any option or, if deemed appropriate, make provision for a cash payment to the holder of an option, provided, however, that no such adjustment shall be authorized to the extent that such authority would cause the Plan to violate Section 423 of the Code.

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Terms and Conditions of Options

- (1) All of the options in each offering shall be granted on the date specified by the Committee.
- (2) An option price per share for each offering shall be determined by the Committee on or prior to the date of grant of the option which shall in no instance be less than 85% of fair market value of TI common stock on the date the option is granted; provided that the Committee may also provide for an alternative, lower option price which may not be less than 85% of fair market value of TI common stock on the date the option is exercised. The fair market value on the date on which an option is granted or exercised shall be determined by such methods or procedures as shall be established by the Committee prior to or on the date of grant of the option.
- (3) The expiration date of the options granted in each offering shall be determined by the Committee prior to or on the date of grant of the options but in any event shall not be more than 27 months after the date of grant of the options.
- (4) All Employees to whom options are granted shall have the same rights and privileges. Each option shall entitle the Employee to purchase up to that number of shares which could be purchased at the option price (for this purpose, the price determined by the Committee as of the date of grant, without regard to any lower price that may become applicable at exercise) with an amount equal to such percentage of the Employee's Compensation (as defined by the Committee from time to time) as the Committee shall determine for each offering (but not to exceed the amount specified in Section 423(b) of the Code). Each Employee may elect to participate for less than the maximum number of shares which the Employee is entitled to purchase under the Employee's option. The Committee shall determine prior to or on the date of grant of the options the consequences of an Employee's election to participate for less than the maximum number of shares which the Employee is entitled to purchase.
- (5) The term of each option shall consist of the following three periods:
 - (a) an Enrollment Period during which each eligible Employee shall determine whether or not and to what extent to participate by authorizing payroll deductions, provided that such authorization shall apply to the current and all subsequent offerings under the Plan until the Employee provides a cancellation described in paragraph (6) or paragraph (10) below;
 - (b) a Payroll Deduction Period during which payroll deductions shall be made and credited to each Employee's payroll deduction account; and
 - (c) an Exercise Day on which options of participating Employees will be automatically exercised in full.

The beginning and ending dates of each Enrollment Period and Payroll Deduction Period and the date of each Exercise Day shall be determined by the Committee.

- (6) Each eligible Employee who desires to participate in an offering shall elect to do so by completing and delivering by the end of the Enrollment Period to a person or firm designated by the Treasurer of TI a payroll deduction authorization in the form (including without limitation, telephonic and electronic transmission, utilization of voice response systems and computer entry) prescribed by the Committee authorizing payroll deductions during the Payroll Deduction Period which shall aggregate no more than the amount required to purchase at the option price (for this purpose, the price determined by the Committee as of the date of grant, without regard to any lower price that may become applicable at exercise) the maximum number of full or fractional shares covered by the Employee's option. Such election and payroll deduction authorization shall constitute an election and payroll deduction authorization to participate in the current offering and all subsequent offerings under the Plan until the Employee provides a cancellation of such authorization during a subsequent Enrollment Period or the cancellation described in paragraph (10) below. A cancellation shall be provided in the manner prescribed in this paragraph for providing elections.
- (7) TI shall maintain or arrange for the maintenance of payroll deduction accounts for all participating Employees.

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- (8) On the Exercise Day, the options of each participating Employee to which such Exercise Day relates shall be automatically exercised in full without the need for the participating employee to take any action.
- (9) Upon exercise of an option, the shares shall be paid for in full by transfer of the purchase price from the Employee's payroll deduction account to the account of TI, and any balance in the Employee's payroll deduction account shall be paid to the Employee in cash.
- (10) A participating Employee may at any time up to 20 days prior to the expiration of the Payroll Deduction Period (or such other date as the Committee shall determine) cancel but not reduce his or her payroll deduction authorization and simultaneously request that all but not a part of the balance in the Employee's account allocable to such Payroll Deduction Period be paid to him or her. Such cancellation and withdrawal during the Payroll Deduction Period shall constitute withdrawal from the offering and the Employee's option shall thereupon terminate and become void. Such cancellation shall operate as an election not to participate in subsequent offerings under the Plan until the Employee provides a new election to participate in accordance with paragraph (6).
- (11) The Committee shall determine on or prior to the date of grant of options the consequences of the termination of employment of a participating Employee for any reason, including death, during the term of an option.
- (12) An Employee will have none of the rights and privileges of a stockholder of TI with respect to the shares of common stock subject to an option under the Plan until such shares of common stock have been transferred or issued to the Employee or to a designated broker for the Employee's account on the books of TI.
- (13) An option granted under the Plan may not be transferred except by will or the laws of descent and distribution and, during the lifetime of the Employee to whom granted, may be exercised only for the benefit of the Employee.
- (14) Each option granted shall be evidenced by an instrument in such form (including without limitation, telephonic and electronic transmission, utilization of voice response systems and computer entry) as the Committee shall approve which shall be dated the date of grant and shall comply with and be subject to the terms and conditions of the Plan.
- (15) No Employee shall be granted an option hereunder if such Employee, immediately after the option is granted, owns stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of TI, computed in accordance with Section 423(b)(3) of the Code. No Employee shall be granted an option which permits the Employee's rights to purchase common stock under all employee stock purchase plans of TI to accrue at a rate which exceeds \$25,000 (or such other maximum as may be prescribed from time to time by the Code) of fair market value of such common stock (determined at the time such option is granted) for each calendar year in which such option is outstanding at any time in accordance with the provisions of Section 423(b)(8) of the Code.

Plan Funds

All amounts held by TI in payroll deduction accounts under the Plan may be used for any corporate purpose of TI.

Governmental Regulations

The obligation of TI to sell and deliver common stock under the Plan is subject to applicable laws and to the approval of any governmental authority required in connection with the authorization, issuance, sale or delivery of such common stock.

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Termination of Plan

No offering shall be made hereunder after April 19, 2012. Further, no offering hereunder shall be made after any day upon which participating Employees elect to participate for a number of shares equal to or greater than the number of shares remaining available for purchase. If the number of shares for which Employees elect to participate shall be greater than the shares remaining available, the available shares shall at the end of the Enrollment Period be allocated among such participating Employees pro rata on the basis of the number of shares for which each has elected to participate.

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EXHIBIT C

FINANCIAL STATEMENTS

Consolidated Financial Statements

(Millions of Dollars, Except Per-share Amounts)

OPERATIONS	For the years ended December 31,		
	2001	2000	1999
Net revenues	\$ 8,201	\$ 11,875	\$ 9,759
Operating costs and expenses:			
Cost of revenues	5,824	6,120	5,069
Research and development	1,598	1,747	1,379
Selling, general and administrative	1,361	1,669	1,556
Total	8,783	9,536	8,004
Profit (loss) from operations	(582)	2,339	1,755
Other income (expense) net	217	2,314	403
Interest on loans	61	75	76
Income (loss) before income taxes and cumulative effect of an accounting change	(426)	4,578	2,082
Provision (benefit) for income taxes	(225)	1,491	631
Income (loss) before cumulative effect of an accounting change	(201)	3,087	1,451
Cumulative effect of an accounting change		(29)	
Net income (loss)	\$ (201)	\$ 3,058	\$ 1,451
Diluted earnings (loss) per common share:			
Income (loss) before cumulative effect of an accounting change	\$ (.12)	\$ 1.73	\$.83
Cumulative effect of an accounting change		(.02)	
Net income (loss)	\$ (.12)	\$ 1.71	\$.83
Basic earnings (loss) per common share:			
Income (loss) before cumulative effect of an accounting change	\$ (.12)	\$ 1.80	\$.86
Cumulative effect of an accounting change		(.02)	
Net income (loss)	\$ (.12)	\$ 1.78	\$.86

See accompanying notes.

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(Millions of Dollars, Except Share Amounts)

	December 31,	
BALANCE SHEET	2001	2000
Assets		
Current assets:		
Cash and cash equivalents	\$ 431	\$ 745
Short-term investments	2,513	3,258
Accounts receivable, less allowance for losses of \$61 million in 2001 and \$54 million in 2000	1,198	2,204
Inventories	751	1,233
Deferred income taxes	554	595
Prepaid expenses and other current assets	328	80
Total current assets	5,775	8,115
Property, plant and equipment at cost	9,683	9,099
Less accumulated depreciation	(4,094)	(3,652)
Property, plant and equipment (net)	5,589	5,447
Long-term cash investments	407	
Equity investments	2,214	2,400
Goodwill and other acquisition-related intangibles	748	961
Deferred income taxes	421	106
Other assets	625	691
Total assets	\$ 15,779	\$ 17,720
Liabilities and Stockholders Equity		
Current liabilities:		
Loans payable and current portion long-term debt	\$ 38	\$ 148
Accounts payable and accrued expenses	1,205	1,921
Income taxes payable	327	323
Accrued retirement and profit sharing contributions	10	421
Total current liabilities	1,580	2,813
Long-term debt	1,211	1,216
Accrued retirement costs	485	378
Deferred income taxes	331	469
Deferred credits and other liabilities	293	256
Stockholders equity:		
Preferred stock, \$25 par value. Authorized 10,000,000 shares. Participating cumulative preferred. None issued.		
Common stock, \$1 par value. Authorized 2,400,000,000 shares.		
Shares issued: 2001 1,740,329,364; 2000 1,733,237,248	1,740	1,733
Paid-in capital	1,216	1,185
Retained earnings	8,975	9,323
Less treasury common stock at cost. Shares: 2001 6,395,488; 2000 1,184,880	(235)	(93)

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Accumulated other comprehensive income	269	574
Deferred compensation	(86)	(134)
	_____	_____
Total stockholders' equity	11,879	12,588
	_____	_____
Total liabilities and stockholders' equity	\$ 15,779	\$ 17,720
	_____	_____

See accompanying notes.

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Table of Contents**Consolidated Financial Statements**

(Millions of Dollars)

CASH FLOWS	For the years ended December 31,		
	2001	2000	1999
Cash flows from operating activities:			
Income (loss) before cumulative effect of an accounting change	\$ (201)	\$ 3,087	\$ 1,451
Depreciation	1,599	1,216	1,005
Amortization of acquisition-related costs	229	160	69
Purchased in-process research and development		112	79
Deferred income taxes	19	1	(11)
Net currency exchange losses	4	11	9
(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	977	(348)	(444)
Inventories	482	(372)	(207)
Prepaid expenses and other current assets	(254)	27	(20)
Accounts payable and accrued expenses	(687)	246	96
Income taxes payable	112	(55)	64
Accrued retirement and profit sharing contributions	(389)	51	244
Gains on sale of Micron stock		(1,636)	
Increase (decrease) in noncurrent accrued retirement costs	(24)	(369)	11
Other	(48)	54	11
Net cash provided by operating activities	1,819	2,185	2,357
Cash flows from investing activities:			
Additions to property, plant and equipment	(1,790)	(2,762)	(1,398)
Purchases of short-term investments	(3,247)	(5,409)	(2,529)
Sales and maturities of short-term investments	4,040	4,178	2,237
Purchases of long-term cash investments	(488)		
Sales of long-term cash investments	10		
Purchases of equity investments	(254)	(133)	(87)
Sales of equity investments	103		