

TEXAS INSTRUMENTS INC
Form 10-Q
October 31, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

S QUARTERLY REPORT UNDER SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2008

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 001-03761

TEXAS INSTRUMENTS INCORPORATED
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State of Incorporation)

75-0289970
(I.R.S. Employer Identification No.)

12500 TI Boulevard, P.O. Box 660199, Dallas,
Texas
(Address of principal executive offices)

75266-0199
(Zip Code)

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

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90

days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

1,296,424,945

Number of shares of Registrant's common stock outstanding as of
September 30, 2008

PART I - FINANCIAL INFORMATION

ITEM 1. Financial Statements.

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES

Consolidated Statements of Income

(Millions of dollars, except share and per-share amounts)

	For Three Months Ended		For Nine Months Ended	
	Sept. 30,		Sept. 30,	
	2008	2007	2008	2007
Revenue	\$ 3,387	\$ 3,663	\$ 10,010	\$ 10,279
Cost of revenue (COR)	1,744	1,679	4,862	4,873
Gross profit	1,643	1,984	5,148	5,406
Research and development (R&D)	507	542	1,509	1,646
Selling, general and administrative (SG&A)	390	429	1,252	1,259
Operating profit	746	1,013	2,387	2,501
Other income (expense) net	10	53	58	149
Income from continuing operations before income taxes	756	1,066	2,445	2,650
Provision for income taxes	193	308	632	762
Income from continuing operations	563	758	1,813	1,888
Income from discontinued operations, net of taxes	--	18	--	14
Net income	\$ 563	\$ 776	\$ 1,813	\$ 1,902
Basic earnings per common share:				
Income from continuing operations	\$.43	\$.54	\$ 1.38	\$ 1.32
Net income	\$.43	\$.55	\$ 1.38	\$ 1.33
Diluted earnings per common share:				
Income from continuing operations	\$.43	\$.52	\$ 1.36	\$ 1.29
Net income	\$.43	\$.54	\$ 1.36	\$ 1.30
Average shares outstanding (millions):				
Basic	1,304	1,417	1,317	1,432
Diluted	1,318	1,448	1,335	1,462
Cash dividends declared per share of common stock	\$.10	\$.08	\$.30	\$.20

See accompanying notes.

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
(Millions of dollars)

	For Three Months		For Nine Months	
	Ended Sept. 30,		Ended Sept. 30,	
	2008	2007	2008	2007
Income from continuing operations	\$	563		