

Business and Capital Management Update

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Our Long -Term View

Qualitative



Quantitative

100 Year Plan

Core Values
Culture
The NI Way

10 Year Plan

Core Strategic Vision
People
Learning and Development
Platforms

5 Year plan

Products/Markets
Company Goals
Growth Goals
Quality Goals

1 Year Plan

Sales Forecasts
Goal Deployment

Quarterly Plan

Financial Goals
Sales and Profits
Update Goals

2015-2016 Strategic Goals

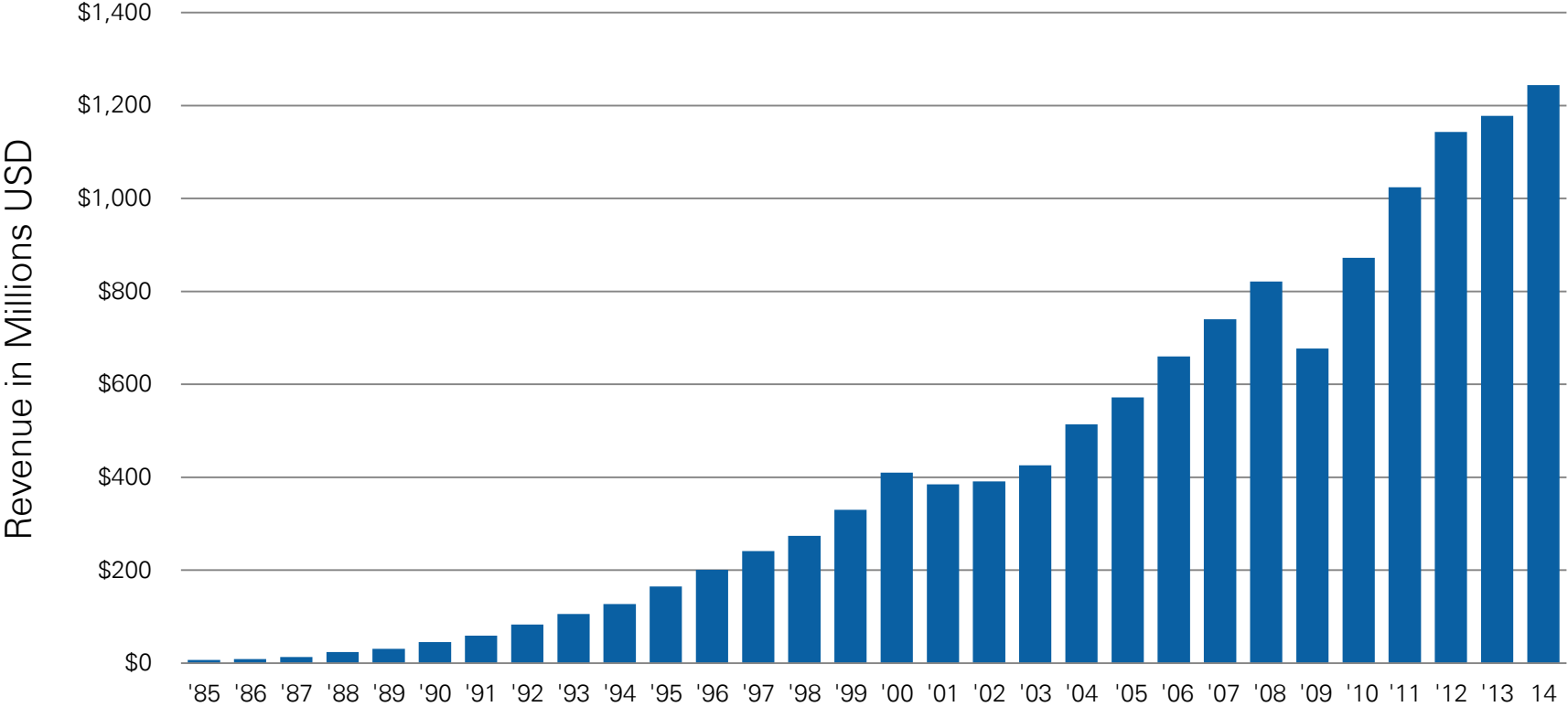
Drive Organic Revenue Growth

- Leverage our strategic investments in R&D and field sales
- Broaden and deepen our customer relationships
- Gain market share

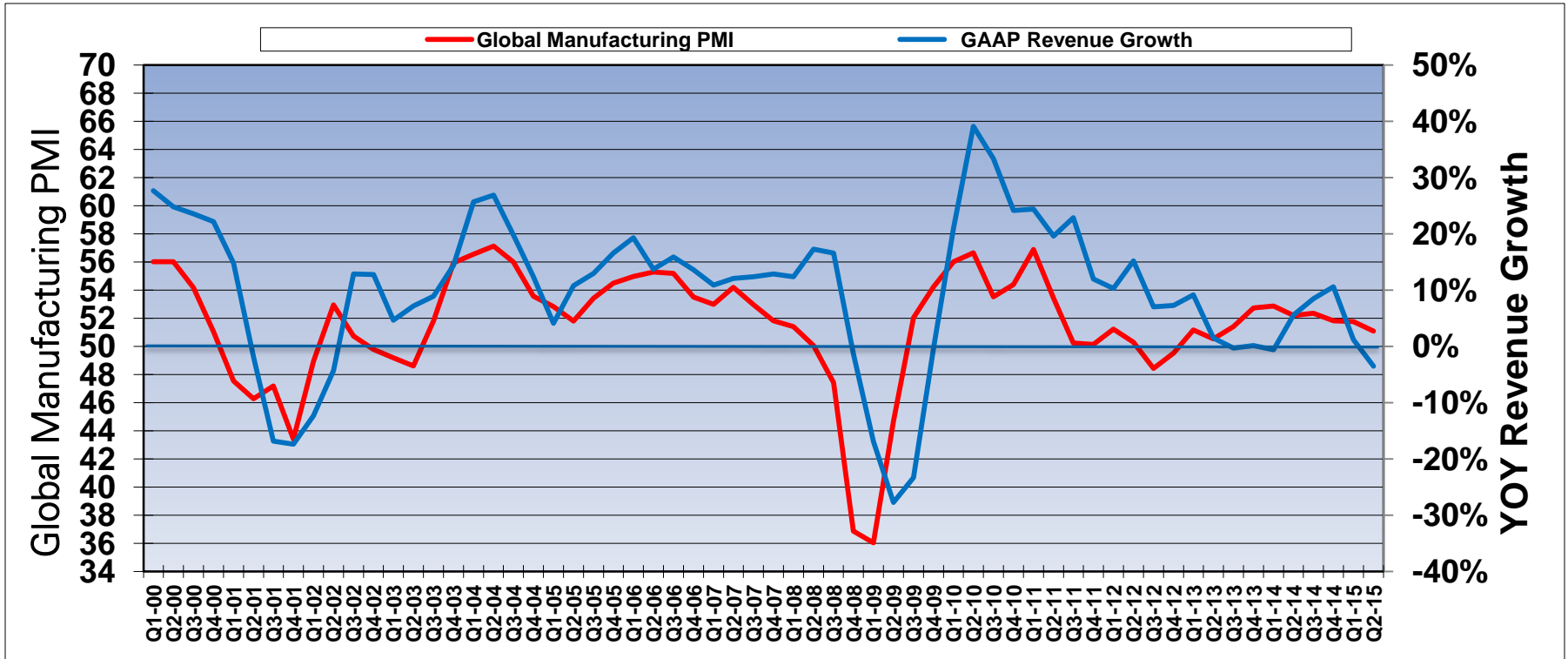
Deliver Strong Profitability

- Preserve our strong gross margins
- Drive efficiency of resources
- Optimize operating expenses
- Leverage existing investments

Strong Track Record of Growth and Profitability



NI Growth Vs the Global PMI



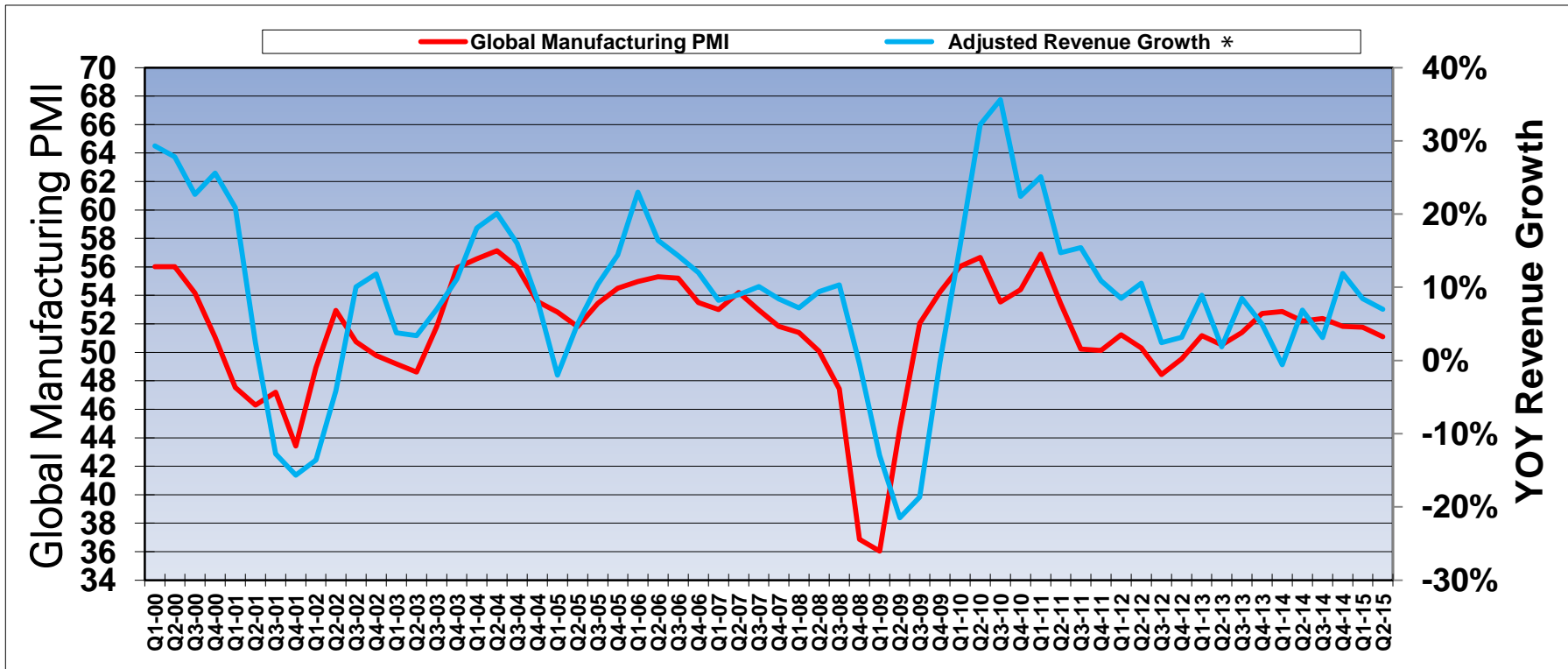
2015 YOY Revenue Headwinds, in USD Millions

	Q1 Actual	Q2 Actual	Q3 Est	Q4 Est	2015 Est
Impact of Foreign Exchange	(\$17)	(\$19)	(\$20)	(\$16)	(\$72)

FX Impact assumes Effective exchange rates as of July 24th, 2015

Revenue from Largest Customer	Q1 Actual	Q2 Actual	Q3 Est	Q4 Est	2015 Est
2014	\$7	\$20	\$17	\$8	\$52
2015	\$5	\$9	\$5	\$4	\$23
Delta	(\$2)	(\$11)	(\$12)	(\$4)	(\$29)

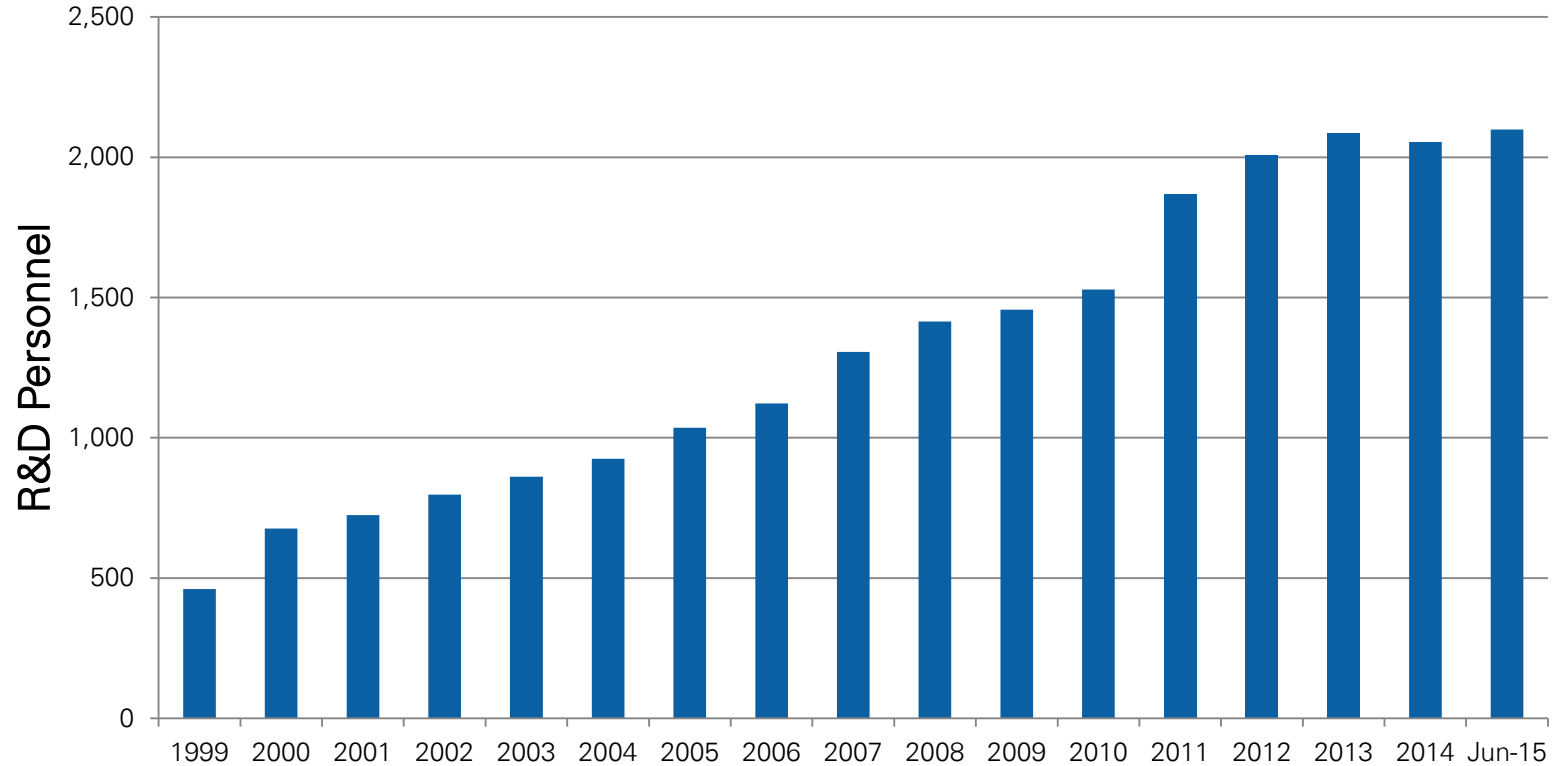
NI Adjusted Revenue Growth* Vs the Global PMI



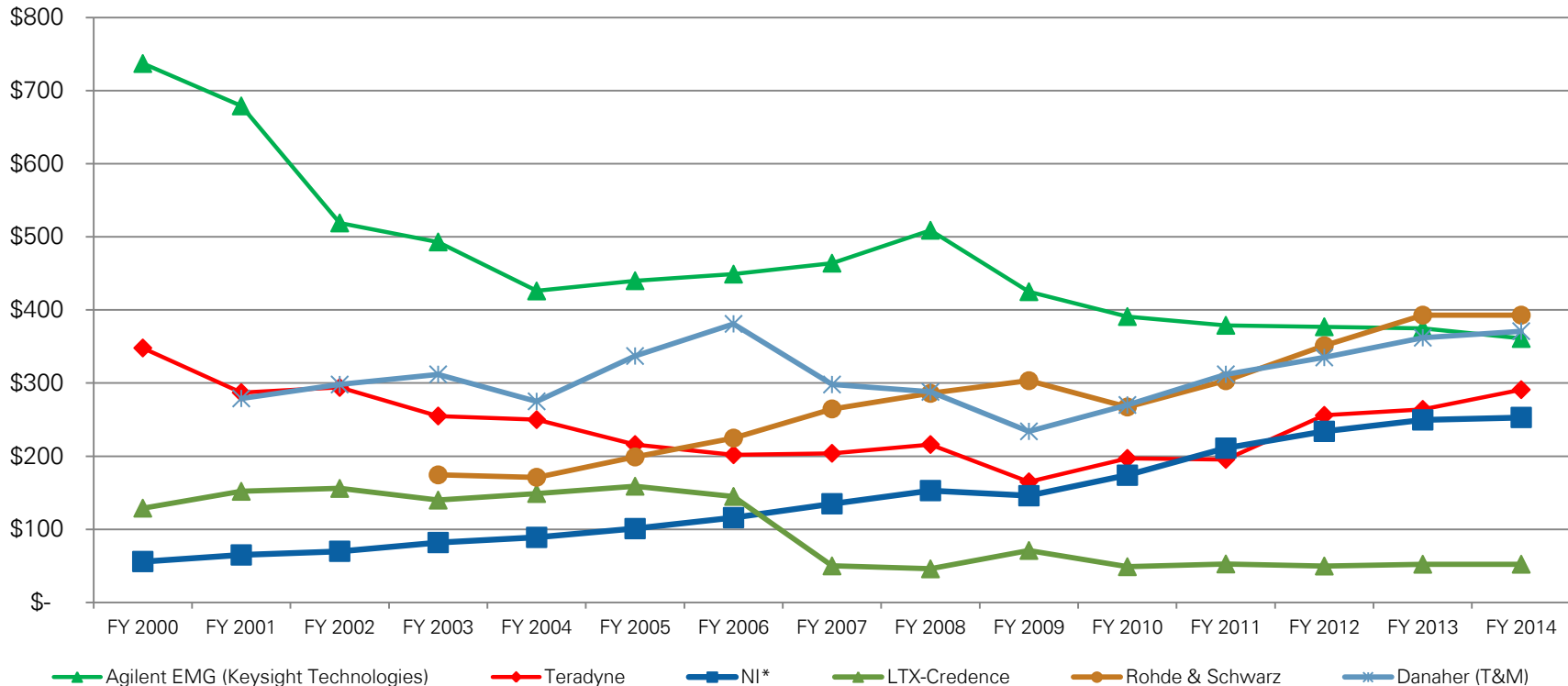
* Adjusted Revenue Growth: Revenue growth excluding the effect of our current largest customer and the impact of foreign currency exchange, reconciliation available at NI.Com/investors

Driving Leverage

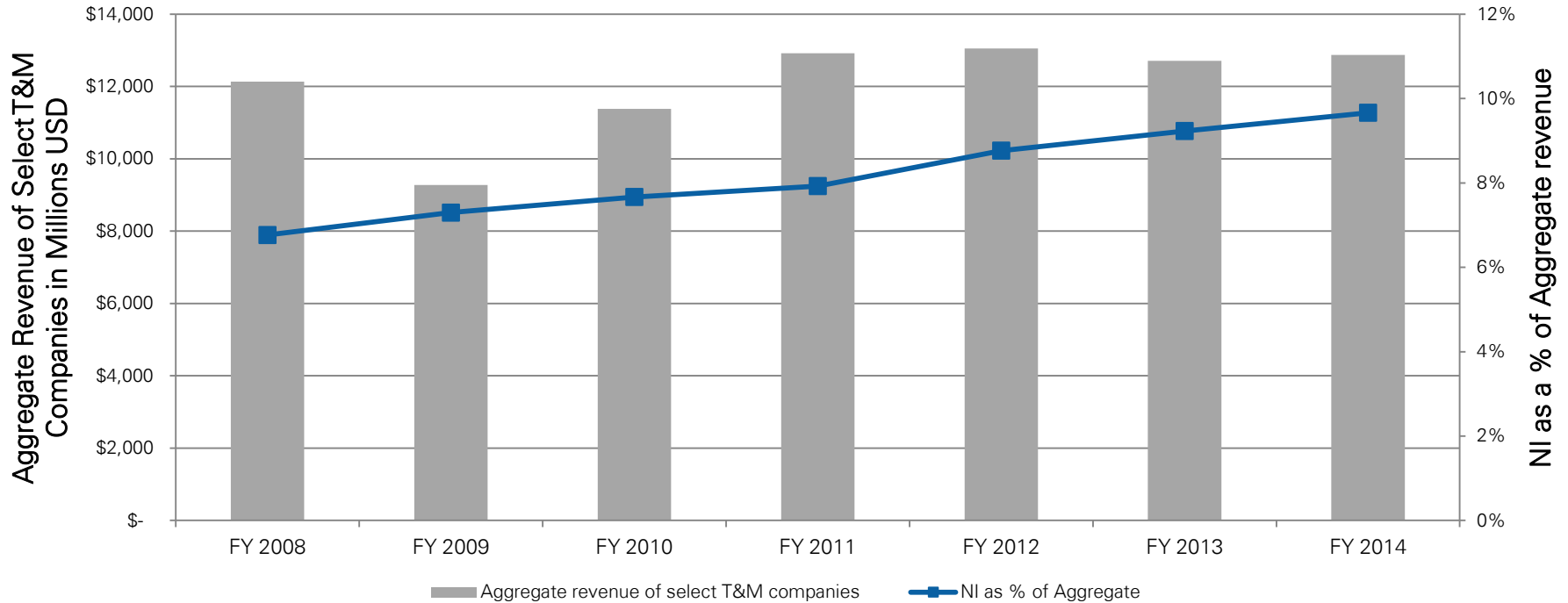
Leveraging Our Investments



NI vs. Industry R&D Investment



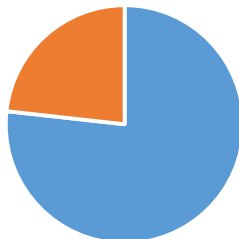
NI's Relative Growth Rate



Select T&M Companies: Keysight, Danaher T&M, Teradyne, Rohde & Schwarz, Anritsu, LTX/Credence, Aeroflex ATS, NI

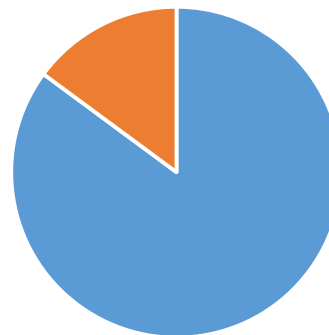
Strong Industry Adoption of PXI

2008 PXI Module Sales
\$305M



■ National Instruments ■ Other Vendors

2014 PXI Module Sales
\$504M



■ National Instruments ■ Other Vendors

Other Vendors Represented:

Keysight Technologies, Pickering, Aeroflex, Astronics Test Systems (EADS), Marvin Test Solution, ADLINK, Chroma, etc.

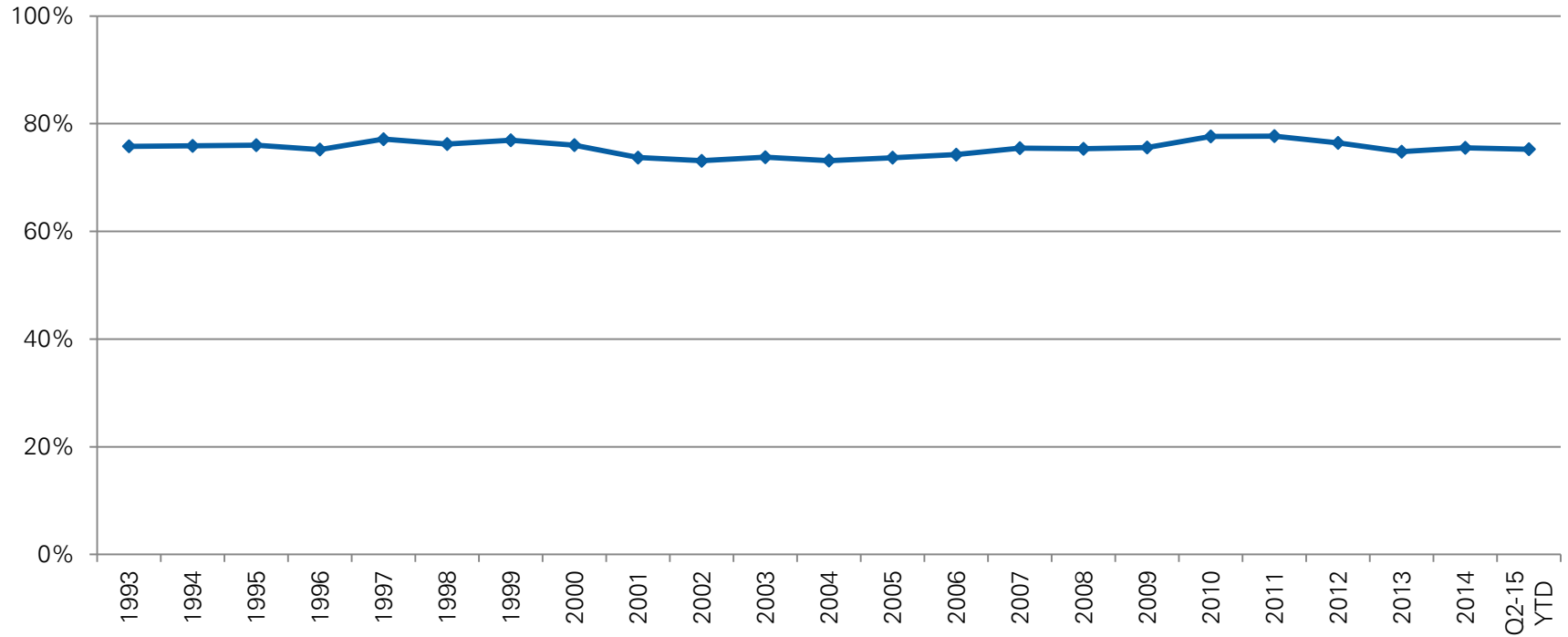
Source: Prime Data 2015

2014/15 Operating Leverage Scenarios

Revenue Growth	0% Growth	5% Growth	10% Growth	15% Growth
Leverage*	100%	60%	55%	50%
Est Expense Growth*	0%	2%–4%	5%–6%	7%–8%

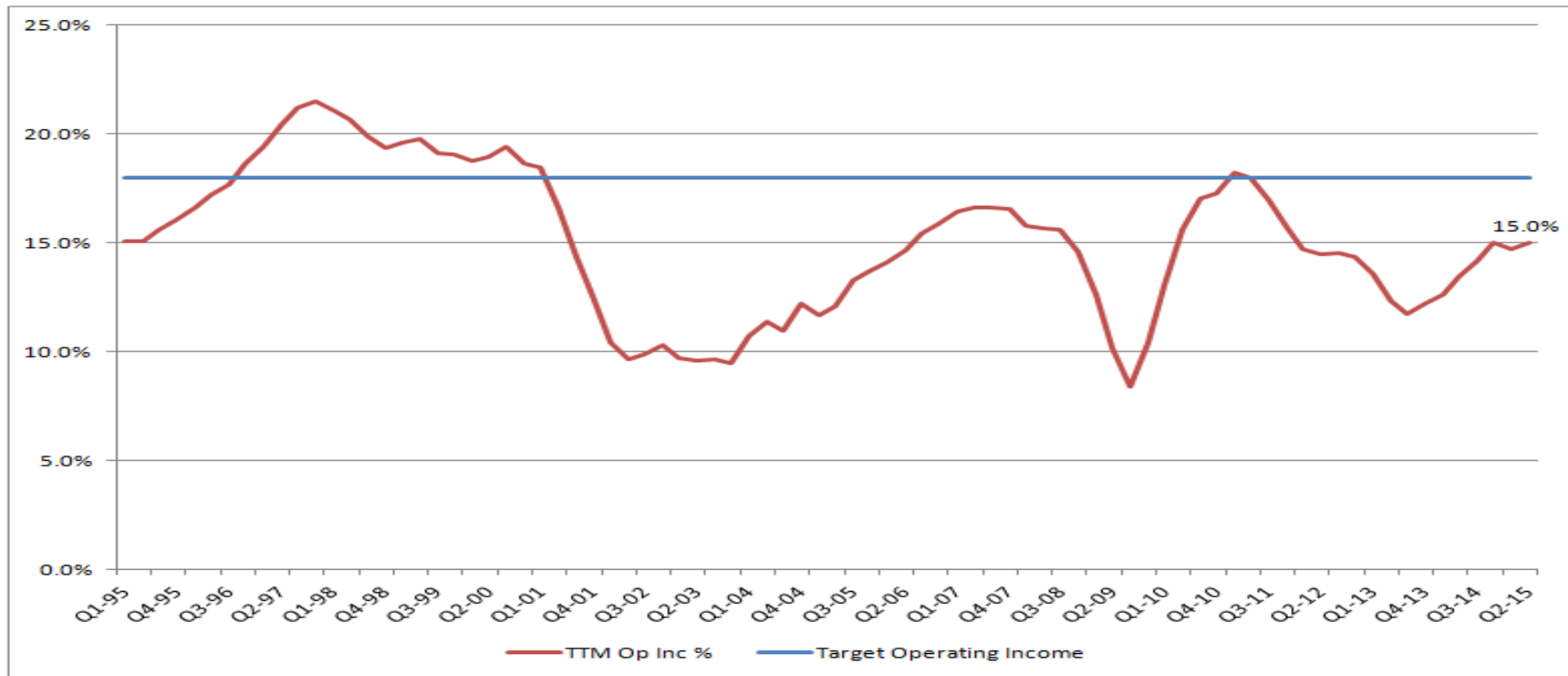
* This represents NI Managements current planning, as of August 4, 2015, given each revenue growth scenario.

Delivering Strong Non-GAAP* Gross Margins



Optimizing Our Operating Model (TTM)

Trailing 12 months(TTM) Non-GAAP Operating Income as % of Revenue*

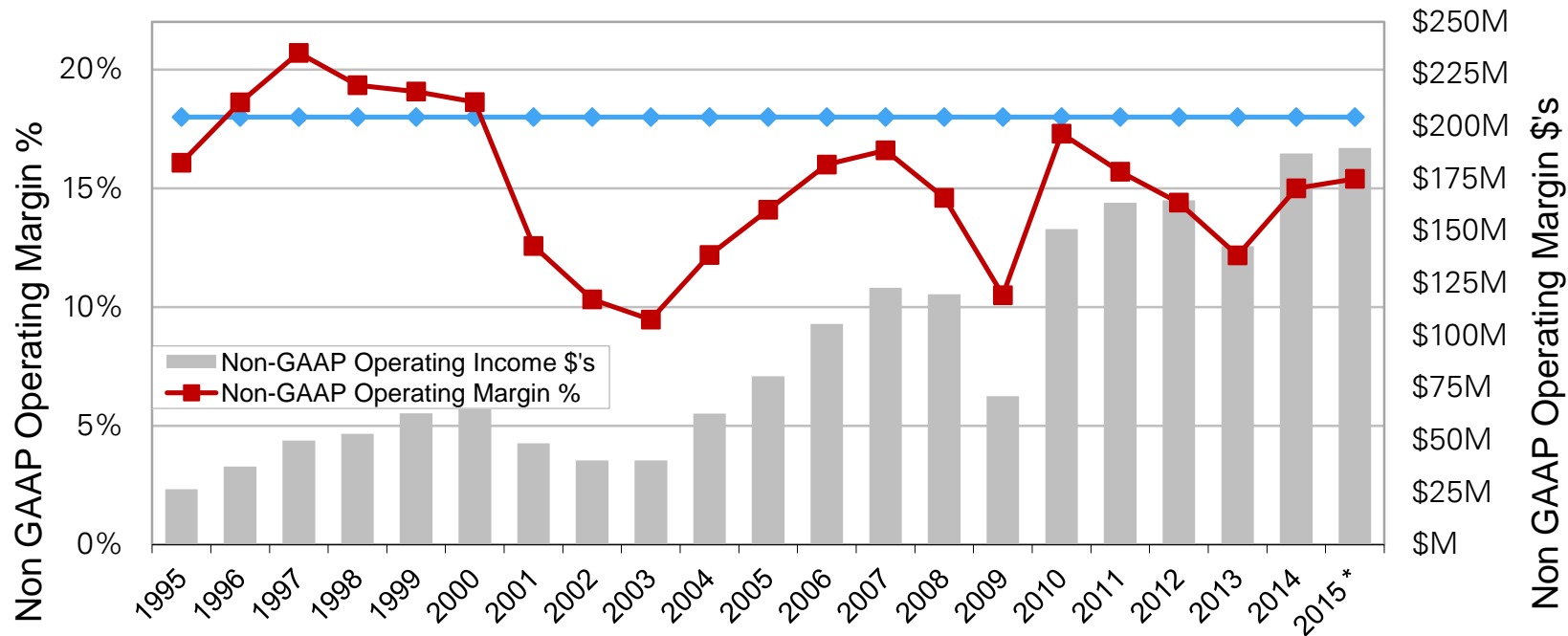


2016 Operating Leverage Scenarios

Revenue Growth	0% Growth	5% Growth	10% Growth	15% Growth
Leverage*	100%	60%	55%	50%
Est Expense Growth*	0%	2%–4%	5%–6%	7%–8%

* This represents NI Managements current planning, as of August 4, 2015, given each revenue growth scenario.

Non-GAAP Operating Income Model



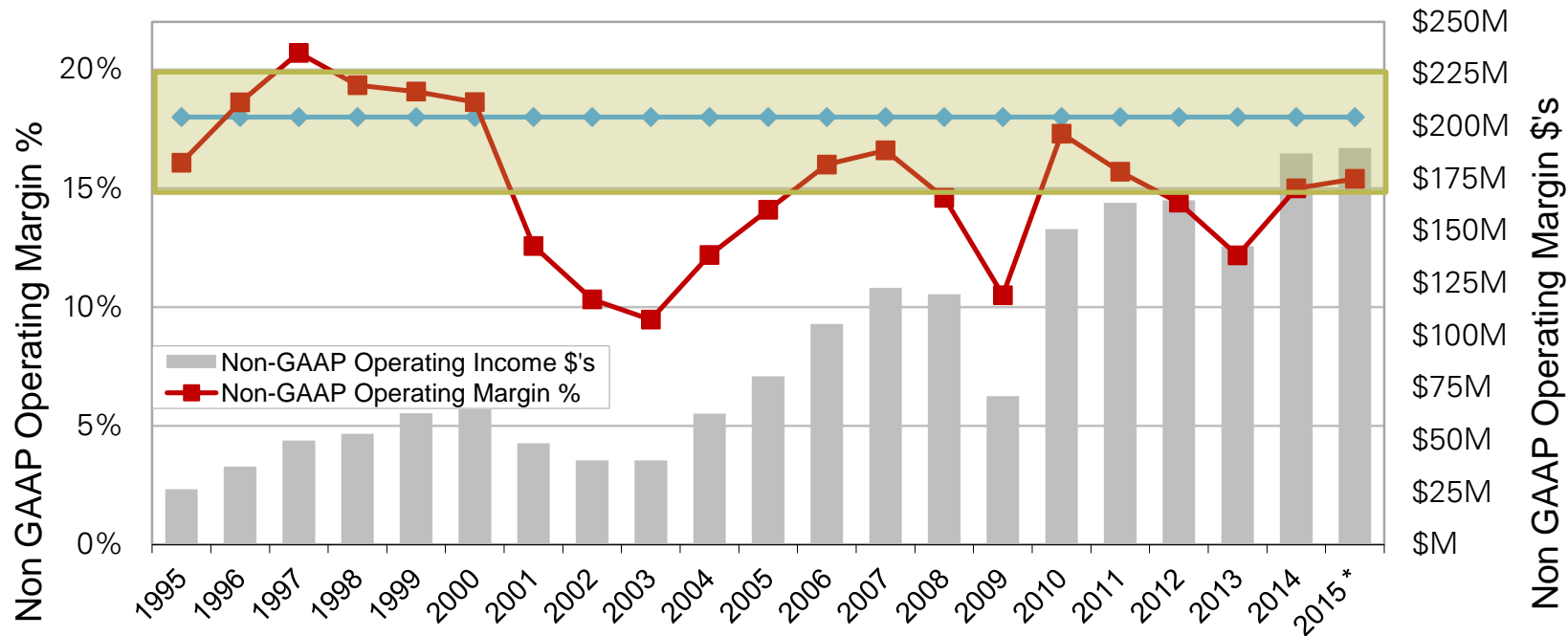
*2015 estimate based on H1 Actual, Q3 guidance midpoint and Q4 Consensus as of Aug 4, 2015

A reconciliation of GAAP to non-GAAP results is available at investor.ni.com

LT Non-GAAP Operating Income Model

- Adjusting operating model to target a *range* through the cycle
- Target range is 15% to 20%
- Exception for Global PMI below 50 for an extended period

Non-GAAP Operating Income Model



*2015 estimate based on H1 Actual, Q3 guidance midpoint and Q4 Consensus as of Aug 4, 2015

A reconciliation of GAAP to non-GAAP results is available at investor.ni.com

Non-GAAP Effective tax rate guidance as of Aug 4th 2015

	2015	2016	2017
Without R&D Credit	28.5%	21%-23%	18%-20%

Capital Management

Capital Foundation and Flow

Disruptive
Business
Model

Cash
Availability

Strong
Balance
Sheet

Investing for
Competitive
Advantage

Returning
Cash

Graphical
System
Design

Effective Tax
Strategy

Working
Capital

Invest in R&D
for Innovation

Dividends

Platform-based
Approach to
Measurement
and Control

Domestic
Cash

Manufacturing
Capacity

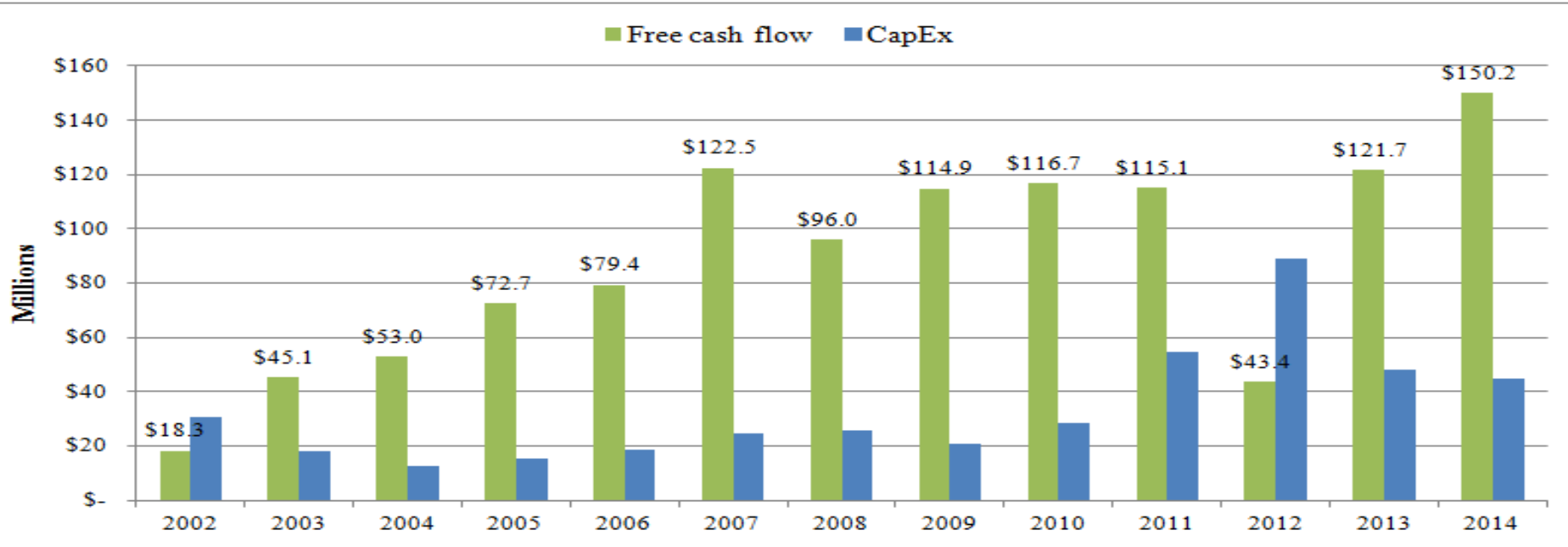
Opportunistic
Repurchase

Offshore
Cash

No Debt

Strategic
Acquisitions

Strong Record of Generating FCF

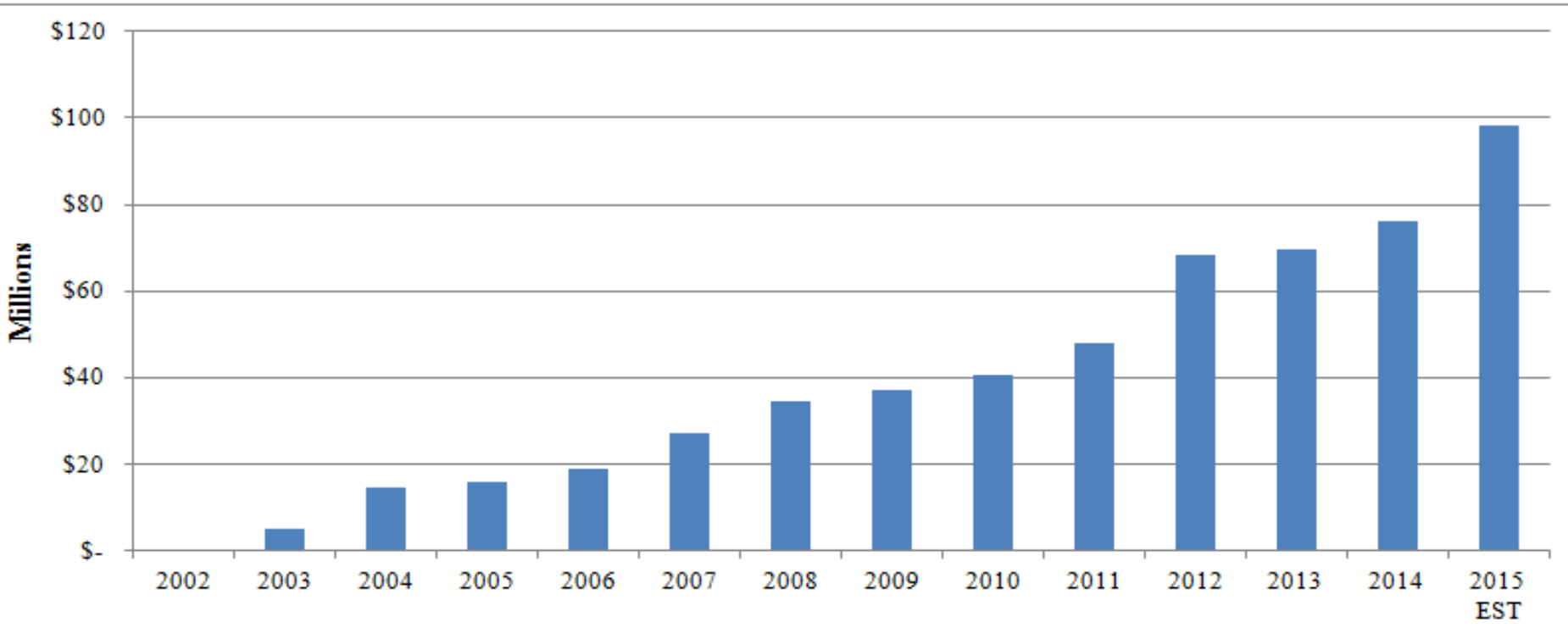


*A reconciliation of free cash flow to the most comparable GAAP number is available on our website at ni.com/nati and included in the appendix of this presentation

Priorities for Cash

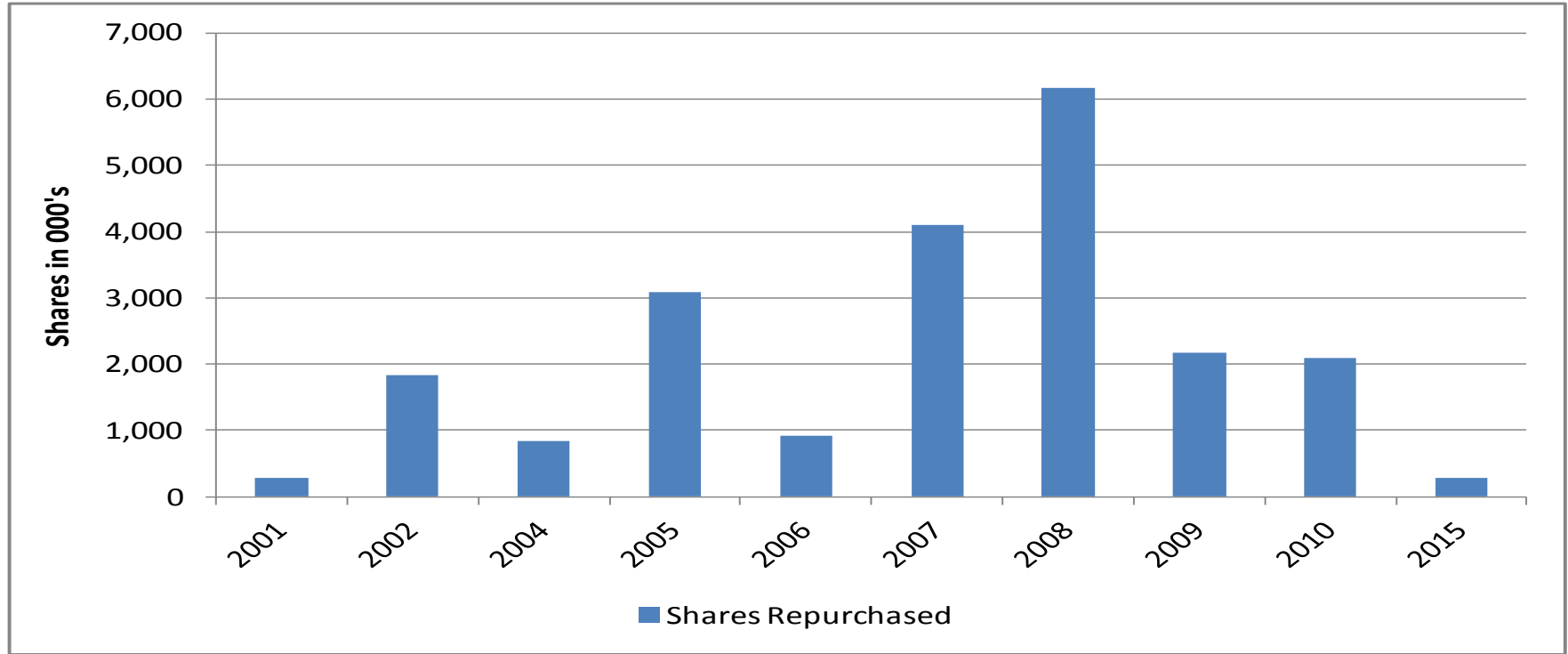
1. Dividend
2. Opportunistic Repurchase
3. Strategic Acquisitions

Strong History of Growing Dividends

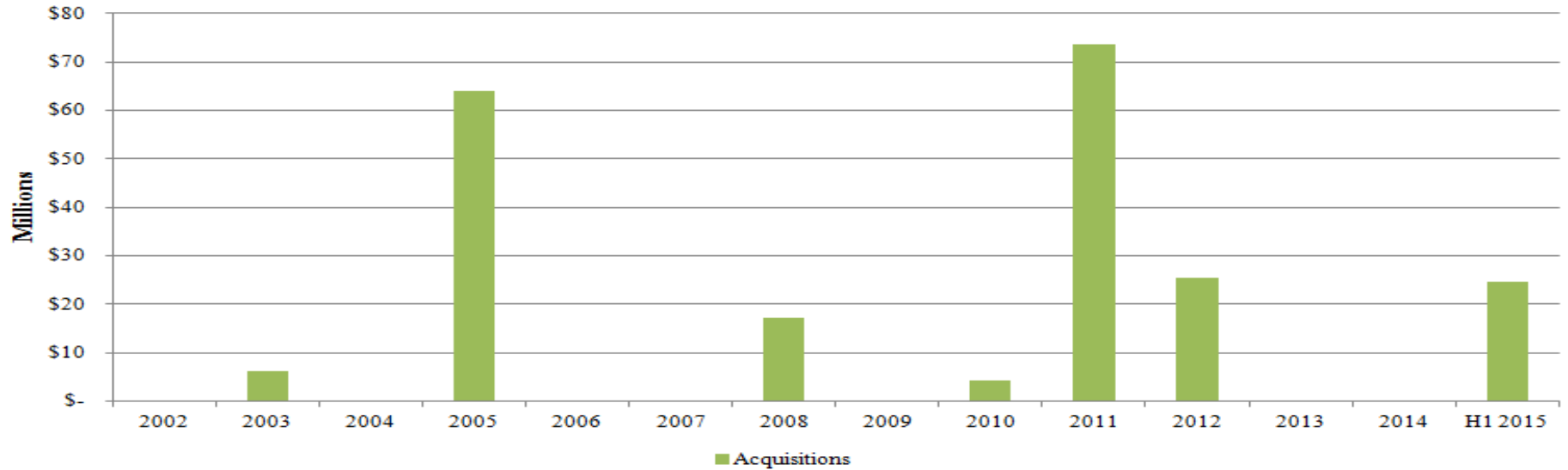


Opportunistic Stock Repurchase History

(22,028,000 shares @ avg of \$17.34 per share)



Acquisitions: Net of Cash Received



Priorities for Cash

1. Dividend
2. Opportunistic Repurchase
3. Strategic Acquisitions

2015-2016 Strategic Goals

Drive Organic Revenue Growth

- Leverage our strategic investments in R&D and field sales
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Deliver Strong Profitability

- Preserve our strong gross margins
- Drive efficiency of resources
- Optimize operating expenses
- Leverage existing investments



Appendix

Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow (FCF)

(in thousands, unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net cash provided by operating activities, as reported	\$49.1	\$63.1	\$65.6	\$88.1	\$97.9	\$147.4	\$121.8	\$135.7	\$145.1	\$169.9	\$132.5	\$169.5	\$ 195.1
Capital expenditures, as reported	\$30.8	\$18.0	\$12.6	\$15.4	\$18.5	\$ 24.9	\$ 25.8	\$ 20.8	\$ 28.4	\$ 54.8	\$ 89.1	\$ 47.8	\$ 44.9
Free cash flow	\$18.3	\$45.1	\$53.0	\$72.7	\$79.4	\$122.5	\$ 96.0	\$114.9	\$116.7	\$115.1	\$ 43.4	\$121.7	\$ 150.2

Reconciliation of YoY GAAP revenue growth to YoY GAAP revenue growth excluding the effect of our current largest customer and the impact of foreign currency exchange

	00 - Q1	00 - Q2	00 - Q3	00 - Q4	01 - Q1	01 - Q2	01 - Q3	01 - Q4	02 - Q1	02 - Q2	02 - Q3	02 - Q4	03 - Q1	03 - Q2	03 - Q3	03 - Q4
YoY GAAP revenue growth, as reported	27.7%	24.8%	23.6%	22.3%	14.9%	-1.9%	-16.8%	-17.3%	-12.3%	-4.3%	12.9%	12.8%	4.7%	7.1%	9.0%	14.4%
Effect of excluding our current largest customer	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
YoY GAAP Revenue growth, excluding our largest customer	27.7%	24.8%	23.6%	22.3%	14.9%	-1.9%	-16.8%	-17.3%	-12.3%	-4.3%	12.9%	12.8%	4.7%	7.1%	9.0%	14.4%
Effect of excluding the impact of foreign currency exchange	1.6%	3.0%	-0.9%	3.4%	6.1%	4.3%	4.1%	1.7%	-1.3%	0.2%	-2.9%	-1.0%	-0.9%	-3.7%	-2.0%	-3.3%
Core YoY revenue growth	29.3%	27.8%	22.7%	25.7%	21.0%	2.4%	-12.7%	-15.7%	-13.6%	-4.1%	10.0%	11.8%	3.8%	3.4%	7.0%	11.2%

	04 - Q1	04 - Q2	04 - Q3	04 - Q4	05 - Q1	05 - Q2	05 - Q3	05 - Q4	06 - Q1	06 - Q2	06 - Q3	06 - Q4	07 - Q1	07 - Q2	07 - Q3	07 - Q4
YoY GAAP revenue growth, as reported	25.7%	26.9%	19.8%	12.4%	4.1%	10.8%	13.0%	16.6%	19.3%	13.7%	15.9%	13.6%	10.9%	12.1%	12.4%	12.9%
Effect of excluding our current largest customer	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
YoY GAAP Revenue growth, excluding our largest customer	25.7%	26.9%	19.8%	12.4%	4.1%	10.8%	13.0%	16.6%	19.3%	13.7%	15.9%	13.6%	10.9%	12.1%	12.4%	12.9%
Effect of excluding the impact of foreign currency exchange	-7.6%	-6.8%	-3.8%	-4.1%	-6.1%	-5.8%	-2.6%	-2.2%	3.7%	2.7%	-1.6%	-1.6%	-2.7%	-3.1%	-2.3%	-4.5%
Core YoY revenue growth	18.1%	20.1%	16.0%	8.3%	-2.0%	5.0%	10.4%	14.4%	23.0%	16.4%	14.3%	12.0%	8.2%	9.0%	10.1%	8.4%

	08 - Q1	08 - Q2	08 - Q3	08 - Q4	09 - Q1	09 - Q2	09 - Q3	09 - Q4	10 - Q1	10 - Q2	10 - Q3	10 - Q4	11 - Q1	11 - Q2	11 - Q3	11 - Q4
YoY GAAP revenue growth, as reported	12.4%	17.3%	16.6%	-1.3%	-18.2%	-27.7%	-23.3%	-0.3%	21.1%	39.1%	33.6%	24.0%	24.5%	19.6%	15.7%	11.2%
Effect of excluding our current largest customer	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.5%	-1.0%	-8.9%	-2.0%
YoY GAAP Revenue growth, excluding our largest customer	12.4%	17.3%	16.6%	-1.3%	-18.2%	-27.7%	-23.3%	-0.3%	21.1%	39.1%	33.6%	24.0%	24.0%	18.6%	6.8%	9.2%
Effect of excluding the impact of foreign currency exchange	-5.2%	-7.9%	-6.3%	0.8%	3.9%	6.2%	4.6%	0.0%	-5.5%	-6.9%	2.0%	-1.6%	1.1%	-3.9%	-5.8%	0.2%
Core YoY revenue growth	7.2%	9.4%	10.3%	-0.5%	-14.3%	-21.5%	-18.6%	-0.2%	15.6%	32.3%	35.6%	22.4%	25.0%	14.7%	1.0%	9.4%

	12 - Q1	12 - Q2	12 - Q3	12 - Q4	13 - Q1	13 - Q2	13 - Q3	13 - Q4	14 - Q1	14 - Q2	14 - Q3	14 - Q4	15 - Q1	15 - Q2
YoY GAAP revenue growth, as reported	9.8%	15.4%	13.7%	8.0%	9.7%	1.3%	-0.3%	0.2%	-0.6%	5.6%	8.5%	10.6%	1.7%	-3.5%
Effect of excluding our current largest customer	-1.8%	-7.3%	-2.3%	-3.7%	0.7%	-0.7%	8.6%	4.1%	-1.2%	1.6%	-4.4%	-1.1%	1.0%	3.5%
YoY GAAP Revenue growth, excluding our largest customer	8.0%	8.1%	11.4%	4.3%	10.4%	0.6%	8.3%	4.3%	-1.8%	7.2%	4.1%	9.6%	2.7%	0.0%
Effect of excluding the impact of foreign currency exchange	-0.6%	2.8%	4.0%	0.3%	-0.4%	0.9%	0.2%	0.7%	1.2%	-0.3%	-1.0%	2.3%	6.0%	6.2%
Core YoY revenue growth	7.4%	10.9%	15.4%	4.6%	10.0%	1.5%	8.5%	5.0%	-0.6%	6.9%	3.1%	11.9%	8.7%	6.3%