

TI Updates First-Quarter 2006 Business Outlook

Revenue Expected between \$3.22 Billion and \$3.35 Billion

- **EPS Expected between \$0.31 and \$0.33 Including Stock-Based Compensation Expense**

Conference Call on [TI Web Site](#) at 3:30 p.m. Central Standard Time Today

DALLAS (March 6, 2006) – In a scheduled update to its business outlook for the first quarter of 2006, Texas Instruments Incorporated (TI) (NYSE: TXN) today narrowed its expected ranges for revenue and earnings per share.

The company's expectations for revenue from continuing operations are:

- Total revenue between \$3.22 billion and \$3.35 billion, compared with the prior range of \$3.11 billion to \$3.38 billion;
- Semiconductor revenue between \$3.15 billion and \$3.28 billion, compared with the prior range of \$3.05 billion to \$3.30 billion; and
- Educational & Productivity Solutions revenue between \$65 million and \$75 million, compared with the prior range of \$60 million to \$80 million.

TI expects earnings per share from continuing operations between \$0.31 and \$0.33, compared with the previous range of \$0.29 to \$0.33. Both the current and previous ranges for earnings per share include about \$0.04 for stock-based compensation expense. Earnings per share from discontinued operations are expected to be about \$0.03, and will be in addition to the earnings-per-share range noted above.

The company will hold a conference call at 3:30 p.m. CST today to discuss this update. This conference call will be available live at www.ti.com. TI's original first-quarter outlook was published in the company's fourth-quarter and year end 2005 earnings release on January 23, available at www.ti.com. TI's first quarter ends on March 31.

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"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: This release includes forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally can be identified by phrases such as TI or its management "believes," "expects," "anticipates," "foresees," "forecasts," "estimates" or other words or phrases of similar import. Similarly, statements in this release that describe the Company's business strategy, outlook, objectives, plans, intentions or goals also are forward-looking statements. All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those in forward-looking statements.

We urge you to carefully consider the following important factors that could cause actual results to differ materially from the expectations of the Company or its management:

- Market demand for semiconductors, particularly for analog chips and digital signal processors in key markets such as communications, entertainment electronics and computing;
- TI's ability to maintain or improve profit margins, including its ability to utilize its manufacturing facilities at sufficient levels to cover its fixed operating costs, in an intensely competitive and cyclical industry;
- TI's ability to develop, manufacture and market innovative products in a rapidly changing technological environment;
- TI's ability to compete in products and prices in an intensely competitive industry;
- TI's ability to maintain and enforce a strong intellectual property portfolio and obtain needed licenses from third parties;
- Consolidation of TI's patent licensees and market conditions reducing royalty payments to TI;
- Economic, social and political conditions in the countries in which TI, its customers or its suppliers operate, including security risks, health conditions, possible disruptions in transportation networks and fluctuations in foreign currency exchange rates;
- Natural events such as severe weather and earthquakes in the locations in which TI, its customers or its suppliers operate;
- Availability and cost of raw materials, utilities and critical manufacturing equipment;
- Changes in the tax rate applicable to TI as the result of changes in tax law, the jurisdictions in which profits are determined to be earned and taxed, the outcome of tax audits and the ability to realize deferred tax assets;
- Losses or curtailments of purchases from key customers and the timing and amount of distributor and other customer inventory adjustments;
- Customer demand that differs from company forecasts;

- The financial impact of inadequate or excess TI inventories to meet demand that differs from projections;
- Product liability or warranty claims, or recalls by TI customers for a product containing a TI part;
- TI's ability to recruit and retain skilled personnel; and
- Timely implementation of new manufacturing technologies, installation of manufacturing equipment and the ability to obtain needed third-party foundry and assembly/test subcontract services.

For a more detailed discussion of these factors, see the text under the heading "Risk Factors" in Item 1A of the Company's most recent Form 10-K. The forward-looking statements included in this release are made only as of the date of publication, and the Company undertakes no obligation to update the forward-looking statements to reflect subsequent events or circumstances.

Texas Instruments Incorporated provides innovative DSP and analog technologies to meet our customers' real world signal processing requirements. In addition to Semiconductor, the company's businesses include Sensors & Controls and Education Technology. TI is headquartered in Dallas, Texas, and has manufacturing, design or sales operations in more than 25 countries.

Texas Instruments is traded on the New York Stock Exchange under the symbol TXN. More information is located on the World Wide Web at www.ti.com.