

TEXAS INSTRUMENTS INC
Form 10-Q
July 22, 2010

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 June 30, 2010

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 T No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes T No o

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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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

(Do not check if a 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

1,195,195,435
Number of shares of Registrant's common stock outstanding as of
June 30, 2010

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 Six Months Ended	
	June 30,		June 30,	
	2010	2009	2010	2009
Revenue	\$3,496	\$2,457	\$6,701	\$4,542
Cost of revenue	1,602	1,333	3,118	2,613
Gross profit	1,894	1,124	3,583	1,929
Research and development	392	369	761	755
Selling, general and administrative	378	327	737	631
Restructuring expense	17	85	28	190
Operating profit	1,107	343	2,057	353
Other income (expense) net	4	13	11	19
Income before income taxes	1,111	356	2,068	372
Provision for income taxes	342	96	641	95
Net income	\$769	\$260	\$1,427	\$277
Earnings per common share:				
Basic	\$.63	\$.20	\$1.15	\$.22
Diluted	\$.62	\$.20	\$1.14	\$.22
Average shares outstanding (millions):				
Basic	1,208	1,267	1,221	1,271
Diluted	1,221	1,272	1,234	1,275
Cash dividends declared per share of common stock	\$.12	\$.11	\$.24	\$.22

See accompanying notes.

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

	For Three Months Ended		For Six Months Ended	
	June 30,		June 30,	
	2010	2009	2010	2009
Net income	\$769	\$260	\$1,427	\$277
Other comprehensive income (loss):				
Available-for-sale investments:				
Unrealized gains, net of taxes	2	10	3	19
Reclassification of recognized transactions, net of taxes	--	1	--	1
Net actuarial gains (losses) of defined benefit plans:				
Adjustment, net of taxes	(52)	49	(75)	80
Reclassification of recognized transactions, net of taxes	22	13	38	25
Prior service cost of defined benefit plans:				
Adjustment, net of taxes	1	--	1	(3)
Reclassification of recognized transactions, net of taxes	--	(6)	--	(6)
Total	(27			