

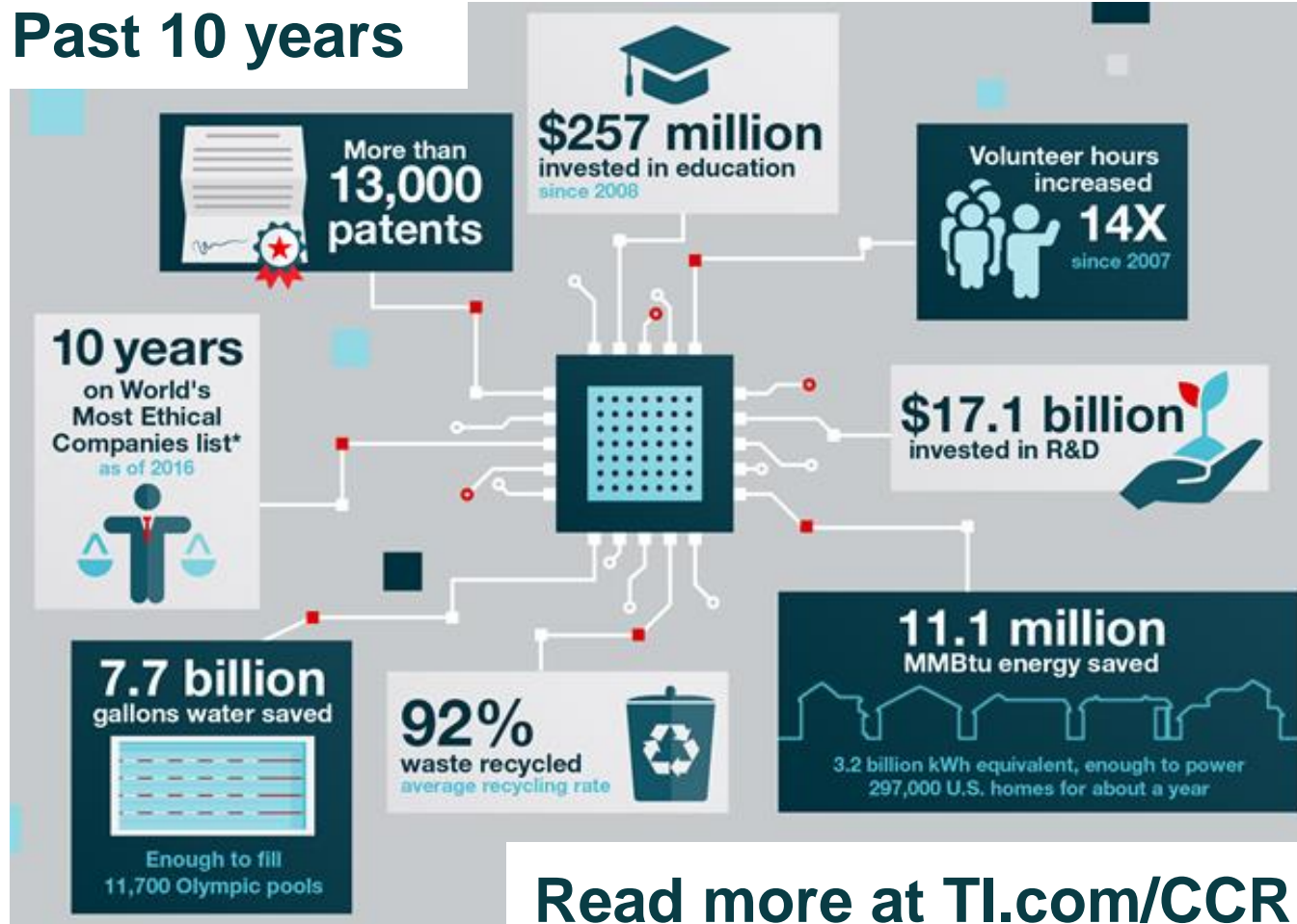
Texas Instruments & RFAB

TI Information – Selective Disclosure

TI Information – Selective Disclosure

2015 Corporate Citizenship Report

Past 10 years



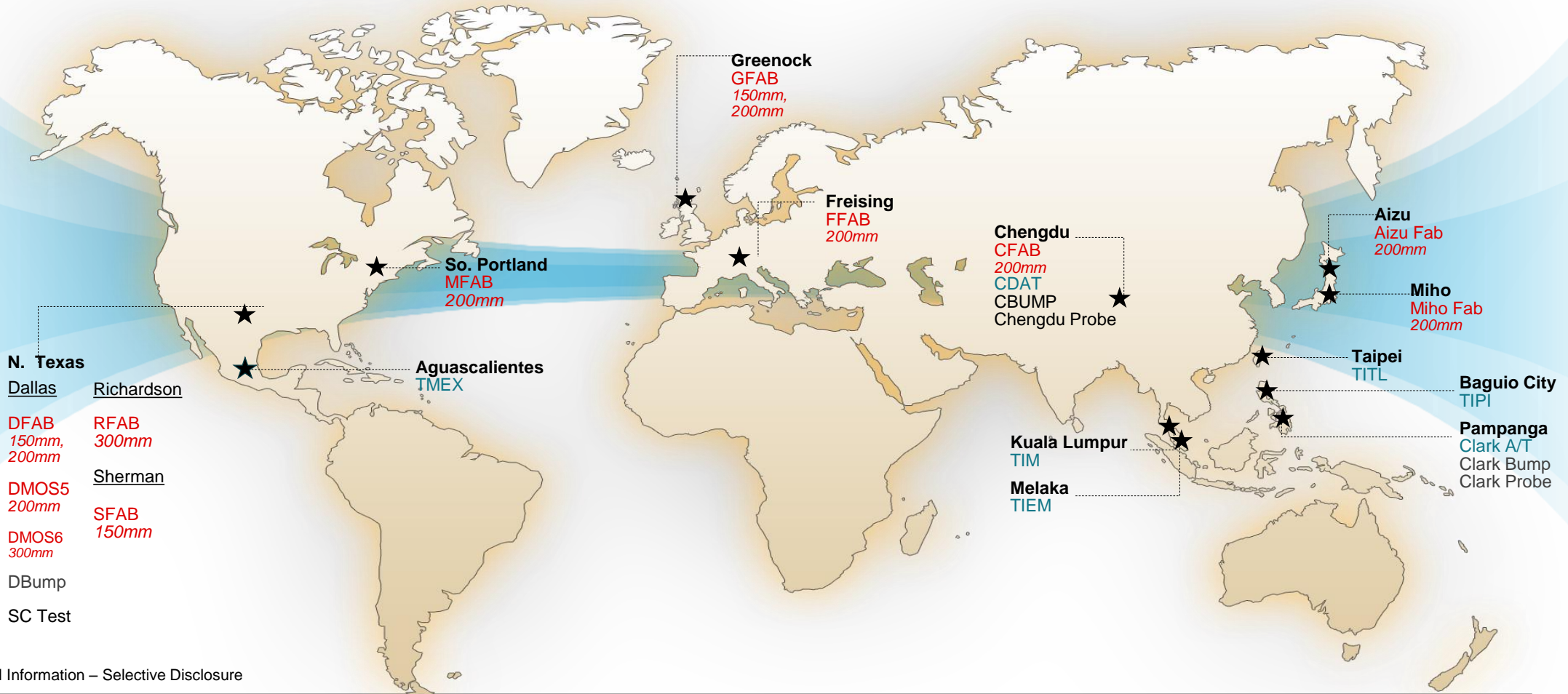
Read more at TI.com/CCR

TI Information – Selective Disclosure

Manufacturing at TI

TI Information – Selective Disclosure

TI's worldwide manufacturing infrastructure



TI Information – Selective Disclosure

Building a stronger manufacturing advantage

- Unique manufacturing strategy ensures continuity of supply, supports growth
 - Leverage 300mm capacity to support Analog growth; Evolution to larger scale wafers provide advantages of productivity, cost
 - Opportunistically acquire manufacturing assets
- TI leverages a flexible manufacturing model, using internal capacity as well as world-class foundry partners
 - This hybrid model enables TI to retain the benefits of internal manufacturing while limiting new capital investments
- TI defines technologies that provide performance and cost leadership in analog and embedded processing markets



RFAB

TI Information – Selective Disclosure

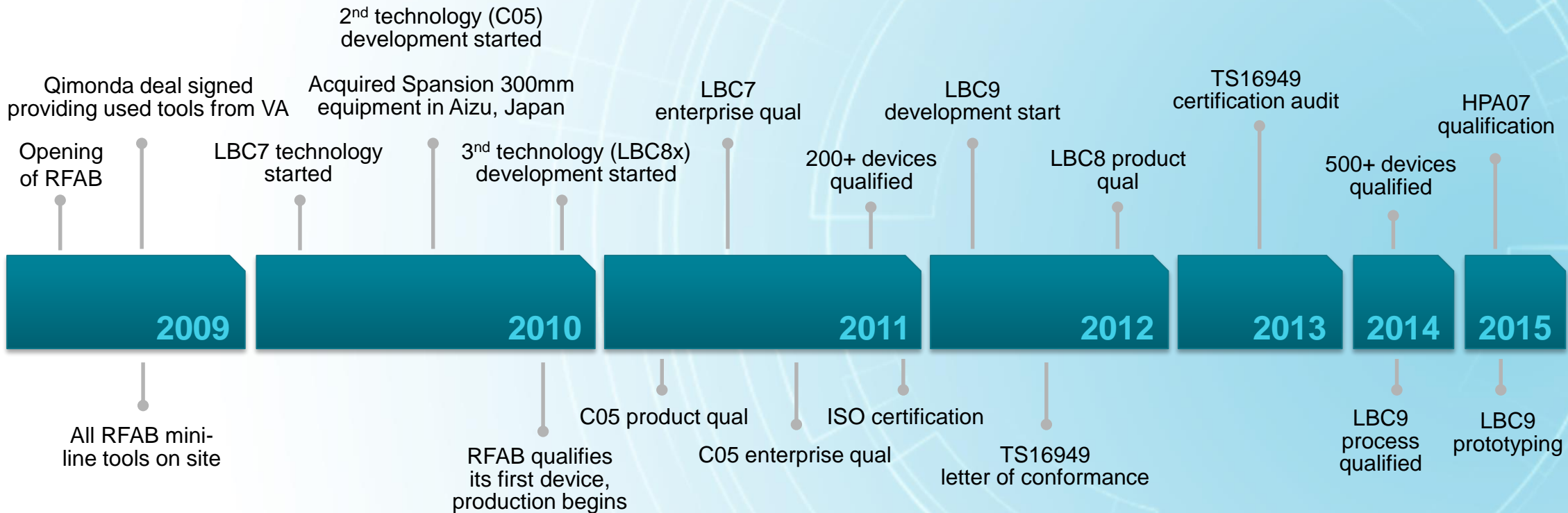
Highlights

- First fab in the world for **advanced** analog technology on 300mm wafers
- 92 acre site with 1,078,000 SF total facility space
- 284,000 SF total clean room space with **room to grow**
- Building greener: First **LEED Gold Certified** fab



History

RFAB building construction completed in 2006



TI Information – Selective Disclosure

RFAB video

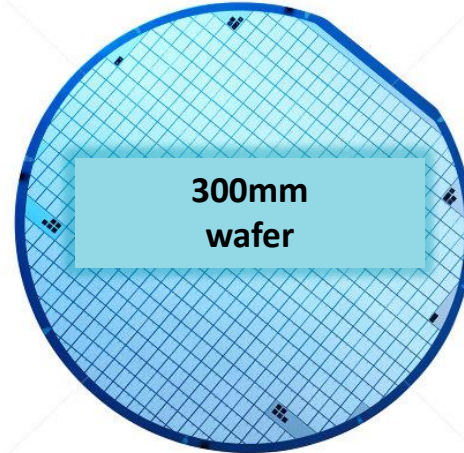


T1 Information – Selective Disclosure

Why 300mm wafers **really** matter



If...
10,000 chips



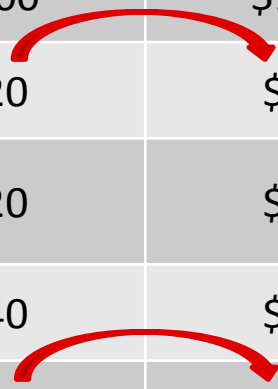
Then...
23,000 chips

	300mm vs. 200mm
Area	2.25x
Chips per wafer	~2.3x
Cost of wafer	~1.4x
Cost per chip	$1.4/2.3 = 0.61$

Chip cost is ~40% less on 300mm wafers than on 200mm

Illustration of the **GPM impact** from 300mm

		Built on 200mm wafer	Built on 300mm wafer
Sales price of example part		\$1.00	\$1.00
Cost of goods:	Chip cost	\$0.20	\$0.12
	Assembly, test, other	\$0.20	\$0.20
Total		\$0.40	\$0.32
Gross margin %		60%	68%



\$8B revenue plan for 300mm Analog

RFAB

- Launched in 2009
- 220K square feet of clean room space
- 300mm Analog
- Currently using ~45% of capacity; room to grow
- Next-gen Analog processes begin prototyping in 2016
- Will support \$5B of analog revenue



DMOS6

- Launched in 2001
- 190K square feet of clean room space
- 300mm; supported wireless products
- Currently using 25% for Embedded Processing
- Analog production started in 4Q15
- Will support \$3B in Analog revenue



TI Information – Selective Disclosure

Enjoy the tour