Dell Investor Relations

Brian Gladden
Senior Vice President and CFO

Steve Schuckenbrock
President, Large Enterprise

Peter Altabef
President, Dell Services

Paul Bell
President, Public

December 16, 2009
SAFE HARBOR

Statements in this presentation that relate to future results and events (including statements about our future financial and operating performance, anticipated purchase accounting impacts, and any statements of the plans, strategies and objectives of management for future operations, including the execution of integration plans) are forward-looking statements based on Dell's current expectations. Actual results and events in future periods may differ materially from those expressed or implied by these forward-looking statements because of a number of risks, uncertainties and other factors, including: weakening global economic conditions and instability in financial markets; our ability to reestablish a cost advantage over our competitors; our ability to generate substantial non-U.S. net revenue; our ability to accurately predict product, customer and geographic sales mix and seasonal sales trends; information technology and manufacturing infrastructure failures and breaches in data security; our ability to effectively manage periodic product transitions; disruptions in component or product availability; our reliance on vendors for quality product components, including reliance on several single-source or limited-source suppliers; our ability to access the capital markets; risks relating to our internal controls; potential unfavorable outcomes of tax matters and legal proceedings, including the continuing SEC investigation into certain accounting and financial reporting matters; our acquisition of other companies; our ability to properly manage the distribution of our products and services; the success of our cost-cutting measures; effective hedging of our exposure to fluctuations in foreign currency exchange rates and interest rates; counterparty default risks; obtaining licenses to intellectual property developed by others on commercially reasonable and competitive terms; our ability to attract, retain and motivate key personnel; loss of government contracts; expiration of tax holidays or favorable tax rate structures; changing environmental laws; and the effect of armed hostilities, terrorism, natural disasters and public health issues. For a discussion of those and other factors affecting our business and prospects, see Dell’s periodic filings with the Securities and Exchange Commission. We assume no obligation to update forward-looking statements.

The discussions during this conference call will include non-GAAP net income and non-GAAP earnings per share, which are not measurements of financial performance prepared in accordance with U.S. generally accepted accounting principles. We have provided a reconciliation of non-GAAP net income and non-GAAP earnings per share to their most directly comparable GAAP financial measure and we encourage investors to review the reconciliation in conjunction with the presentation of non-GAAP financial measures. A detailed discussion of our use of non-GAAP financial measures can be found in Dell’s Form 8-K dated December 16, 2009.
DELL SERVICES
DELL & PEROT SYSTEMS

Peter Altabef
President, Dell Services
OUR VIEW OF THE OPPORTUNITY...
LARGE, YET FRAGMENTED INDUSTRY

$800 Billion IT Services Spend

- IT is now embedded in the business cycle
  - 3 – 4% of GDP and subject to ups & downs
- Industry remains fragmented
  - 90 companies with IT services revenues >$1 billion
  - Only four companies offer a set of integrated service offerings
  - And only one of these companies has a services share >7%
- Dell Services is a top 10 global service provider able to address all segment offerings

Source: Gartner, Dataquest Market Databook, September 2009 Update
Figures in bil USD & based off of 2010 forecast

Dell Investor Relations
OUR VIEW OF THE OPPORTUNITY...  
NEED TO MOVE THE NEEDLE ON LABOR EFFICIENCY

Industry Dynamics

1. **More than 50% of IT budgets are spent on maintenance and labor**

2. Dell’s **innovations** in server, storage, and services solutions **are focused on reducing maintenance and labor costs**

3. Competition requires adaptation to different service delivery models

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**Plan**
- SW: 5%
- Support: 9%

**Deploy**
- Facilities: 10%
- Network: 25%

**Operate**
- Hardware: 23%
- SW: 45%

**HW & Maintenance**
- Administration: 30%
- Operate: 16%

Datacenter Costs

Client Costs

*Source: Dell Services*
THE DELL APPROACH TO SERVICES
REDEFINING SERVICES DELIVERY

We’re redefining services by making them easier to access, simpler to manage, and most importantly by aligning our solutions to customers success

Industry Legacy Services Approach

- Army of Consultants
- Closed Processes
- Locked Frameworks
- Proprietary SW Tools
- Proprietary HW Stack
- High Cost Services

Dell Services Approach

- Less labor—more automation
- Consistently delivered globally
- Service ready hardware that saves customers money
- Deliver more services remotely
- Software / Infrastructure ‘as-a-service’ solutions to meet business results
- Domain knowledge to deliver business outcomes
- Industry best practices and global standards that yield process improvements
**DELL STRENGTHS**

- Configuration
- Deployment
- Modular Svcs
- Support

- 2.5+ million desktops under management
- Deploy over 4 million systems annually
- Global infrastructure supporting the delivery of over 13 million warranty service events across 180 countries through 492 part hubs and 452 part suppliers
- Dell maintains 300 terabytes of customer data managing their 21,000 images

**PEROT SYSTEMS STRENGTHS**

- Applications
- Data Center
- Industry Solutions
- Consulting
- IT Outsourcing

- #1 Ranking in Healthcare Information Systems Contractors
- #1 Information Technology Outsourcing Vendor
- Top Provider of IT Services for Government
- #1 ranking for Revenue Cycle Management Services
- Highly ranked in Gartner’s Magic Quadrants

### Dell’s Integrated Portfolio

**Comprehensive Set of Enhanced Service Offerings**

<table>
<thead>
<tr>
<th><strong>Support Services</strong></th>
<th><strong>Managed Services</strong></th>
<th><strong>Software / Infrastructure ‘as-a-Service’</strong></th>
<th><strong>Applications Services</strong></th>
<th><strong>Business Process Services (BPO)</strong></th>
<th><strong>IT Consulting</strong></th>
<th><strong>Business Consulting</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta Warranty</td>
<td>Delta End User</td>
<td>Delta Client Software</td>
<td>Delta Custom Development</td>
<td>Delta Revenue Cycle Outsourcing</td>
<td>Delta Enterprise Architecture</td>
<td>Delta Strategy Consulting</td>
</tr>
<tr>
<td>Delta Enhanced Support</td>
<td>Delta Data Center</td>
<td>Delta Desktop</td>
<td>Delta Business Intelligence</td>
<td>Delta Policy Administration</td>
<td>Delta Service Management</td>
<td>Delta Process Re-engineering</td>
</tr>
<tr>
<td>Delta Network</td>
<td>Delta Network</td>
<td>Delta Servers and Storage</td>
<td>Delta Enterprise and Industry Applications</td>
<td>Delta Physician Services</td>
<td>Delta Data Center Infrastructure</td>
<td>Delta Supply Chain Re-engineering</td>
</tr>
<tr>
<td>Delta Information Assurance</td>
<td>Delta Information Assurance</td>
<td>Delta Enterprise Management Software</td>
<td>Delta Modernization</td>
<td>Delta Engineering Services Outsourcing</td>
<td>Delta Enterprise Applications Rationalization</td>
<td>Delta Organizational Change Management</td>
</tr>
<tr>
<td>Delta Hosting</td>
<td>Delta Hosting</td>
<td>Delta Business Continuity Software</td>
<td>Delta Management</td>
<td>Delta Customer Management</td>
<td>Delta End User Computing</td>
<td>Delta Clinical Transformation</td>
</tr>
<tr>
<td>Dell Legacy</td>
<td>Perot Systems Legacy</td>
<td>Dell Testing</td>
<td>Dell Testing</td>
<td>Dell Government Office</td>
<td>Dell Virtualization &amp; Cloud Integration</td>
<td>Dell Data Management</td>
</tr>
</tbody>
</table>

Dell Investor Relations
# DELL SERVICES
## STRENGTH OF OUR COMBINED BUSINESS MODEL

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intense Customer Focus</td>
<td>Strong customer heritage of both companies focused on the delivering best-value solutions</td>
</tr>
<tr>
<td>Domain-Knowledge</td>
<td>Large Enterprise, Government and Healthcare Competitive advantage through industry-focused solutions</td>
</tr>
<tr>
<td>Breadth of Services</td>
<td>Have service offerings that facilitate cost efficiencies, operational improvements, a stronger customer-facing presence, and reduce time to new product development</td>
</tr>
<tr>
<td>Global Delivery Model</td>
<td>Lower cost for customers... All major solutions are globally-delivered in an integrated and seamless manner</td>
</tr>
<tr>
<td>Recurring Revenue</td>
<td>$7.4 billion enhanced services backlog of future contracted business, and $5.9 billion of enhanced services deferred revenue</td>
</tr>
</tbody>
</table>
DELL ENHANCED SERVICES
$7.5B GLOBAL SERVICES BUSINESS

Revenue Composition

- Consumer 9%
- SMB 12%
- Large Enterprise 32%
- Public 47%
- BPO 7%
- Consulting & Applications 18%
- Infrastructure Technology 75%
- Americas 73%
- APJ 9%
- EMEA 18%

Key Metrics

- $7.5B revenue (3Q Annualized Revenue)
- $7.4B of backlog (future contracted revenue)
- $5.9B in deferred revenue
- 42,000 total headcount
- 38% of headcount in low-cost geographies
- Supporting nearly 15 million systems
- Managing over 2 million seats
- Serving 5,000 SaaS customers

Source: Dell Enhanced Services 3Q Combined Revenue
DELL SERVICES
PUBLIC

Paul Bell
President, Public
Industries
- Civilian
- Defense
- Education
- Homeland Security
- Intelligence
- State and Local

Industry Solutions
- Business Processes
- Continuity of Operations
- Cyber Security
- Data Assurance
- Engineering and Technical Services
- Enterprise Strategy and Modernization
- IT Management
- Logistics Support
- Privacy and Compliance
- Research Systems

Industries
- Health Information Exchanges
- Health Insurance Connectors
- Health Insurance
- Hospitals
- Life Sciences
- Pharmaceutical
- Physicians

Industry Solutions
- Administration Support and Management
- Business Processes
- Clinical and Business Consulting
- Electronic Health Records Management
- Health Information Exchanges
- IT Outsourcing and Virtualization
- Revenue Cycle Solutions
DELL PEROT SYSTEMS HEALTHCARE
SOLUTIONS TO HELP IMPROVE PATIENT CARE

Mobile Clinical Computing

- Puts technology in the hands of healthcare professionals at the point of care
- Improves clinical decision-making and efficiency
- Single sign-on, fast log in
- On-demand desktop streaming
- Dedicated remote workstation
- End-to-end implementation and support

Virtual Electronic Medical Records (EMR)

- Dell’s Affiliated Physician EMR Solution lets hospitals sponsor their affiliated physicians with an EMR solution that is interoperable with the hospital’s own health information systems
- A SaaS solution, Dell and Perot Systems create and host a secure, private cloud-based EMR solution as an alternative to dedicated, on-premise systems
- Makes EMR adoption easier by eliminating the need to purchase, deploy and maintain hardware and software onsite, reducing up-front capital requirements and accelerating time to positive ROI
- Simplifies the challenge of achieving “meaningful use” as defined in the American Recovery and Reinvestment Act of 2009
DELL SERVICES
LARGE ENTERPRISE

Steve Schuckenbrock
President, Large Enterprise
**LARGE ENTERPRISE PIPELINE**  
**FOCUSED ON CAPTURING WHITE SPACE**

**Enhanced Services Revenue Mix**

- **Perot**
  - 26%

- **Dell**
  - 46%
  - 54%

**Sales Pipeline**

- Excellent reference accounts, but need to scale and double the size of opportunities
- Now formalizing capture of pipeline for Large Enterprise
- Customers are shifting to smaller and shorter deals focused on customer cost savings
  - Average total contract value $25-30M
  - Average contract term ~6yrs
  - Contracts greater than $200M TCV exist, but there are fewer today

- A lot of white space in LE
  - Commercially
  - Geographically
DELL’S INTEGRATED PORTFOLIO
LARGE ENTERPRISE FOCUS ON EXTENDED SERVICES

- Support Services
- Managed Services
- Software / Infrastructure ‘as-a-Service’
- Applications Services
- Business Process Services (BPO)
- IT Consulting
- Business Consulting

- Extended Warranty
- End User
- Client Software
- Custom Development
- Revenue Cycle Outsourcing
- Enterprise Architecture
- Strategy Consulting

- Enhanced Support
- Data Center
- Desktop
- Business Intelligence
- Policy Administration
- Service Management
- Process Re-engineering

- Network
- Servers and Storage
- Enterprise Management Software
- Enterprise and Industry Applications
- Physician Services
- Data Center Infrastructure
- Supply Chain Re-engineering

- Information Assurance
- Enterprise Continuity Software
- Modernization
- Engineering Services Outsourcing
- Engineering Services Outsourcing
- Organizational Change Management

- Hosting
- Business Continuity Software
- Management
- Customer Management
- Customer Management
- Clinical Transformation

- Dell Legacy
- Perot Systems Legacy

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INDUSTRIES
- Consumer Packaging
- Consumer Products and Retail
- Energy
- Freight and Logistics
- Manufacturing
- Technology
- Telecommunications and Mobility
- Travel and Transport

INDUSTRY SOLUTIONS
- Asset and Fleet Management
- Back-Office Services
- Billing and Collections
- Engineering Outsourcing
- ERP Implementation
- Reservations and Customer Service
- Supply Chain
- Transportation and Warehousing

FINANCIAL
- Capital Markets
- Commercial and Retail Banking
- Insurance
- Payments and Credit Cards

INDUSTRY SOLUTIONS
- Card Systems Transformation
- Enterprise Risk Management
- Insurance Claims Processing
- Insurance Policy Administration
- Operations and Fulfillment
- Mobile Banking and Payments
DELL SERVICES
FINANCIAL IMPLICATIONS

Brian Gladden
Senior Vice President and CFO
## PEROT INTEGRATION PLAN
A MODEL WE WILL BE USING FOR FUTURE ACQUISITIONS

<table>
<thead>
<tr>
<th>Key Success Factors</th>
<th>Actions</th>
</tr>
</thead>
</table>
| **LEADERSHIP**      | ▪ Dedicated integration executives leading 60 person team  
|                     | ▪ Integration experience  
|                     | ▪ 17 functional work streams |
| **GOVERNANCE**      | ▪ Integration steering committee owned by CEO’s leadership team  
|                     | ▪ Alignment of objectives and incentives |
| **EXECUTION ON VISION / SYNERGIES** | ▪ Synergy execution plans in process (30-60-90 day targets)  
|                     | ▪ Key integration metrics established and tracked including employee and customer retention, revenue, OpInc, and cost synergy targets  
|                     | ▪ Go-to-market focus with sales training, toolkit & playbook  
|                     | ▪ Standardize corporate functions and financial processes |
| **PEOPLE MANAGEMENT** | ▪ Communicate via weekly steering committee meetings  
|                     | ▪ Retention of key talent |

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COMBINED ENHANCED SERVICES GROWTH
$650M REVENUE SYNERGIES

Go-to-Market Opportunities

- **Short term – quick-start opportunities**
  - Cross-selling of existing solutions
  - Elimination of margin stacking
  - Pass-thru HW and support

- **Medium term – vertical growth**
  - *Healthcare* – Electronic Health Records; will ramp sharply in FY’12
  - *Government* – Dell Services is now a prime contractor on HW and services
  - *Commercial* – expand vertical solutions

- **Long term – geographic expansion**
  - Increase sales and service capability
  - Geographic expansion
  - Select acquisitions

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*Source: Dell Services Estimates*
COST SYNERGIES
TARGETING $300M+ IN COMBINED COST REDUCTIONS

Cost Reductions

- IT consolidation savings related to Dell’s corporate infrastructure and applications
- Opex reductions related to eliminating duplicate functions within G&A
- Other purchasing and services delivery costs
- Savings continue to be validated via integration work streams

Cost Synergies
(Cumulative Amount to Baseline)

Source: Dell Services Estimates

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FINANCIAL IMPLICATIONS
PURCHASE ACCOUNTING

- Perot Systems related items*
  - Goodwill of $2.3-2.6B will appear on balance sheet
  - Intangible assets of $1.1-1.3B
  - Amortization of purchased intangibles will be roughly $40-50M per quarter in year one
  - Acquisition related expenses will be $120-130M in Q4, and roughly $20-25M per quarter throughout FY’11
  - Schedule of amortization of intangibles and acquisition related expenses:

<table>
<thead>
<tr>
<th></th>
<th>4Q FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortization of Intangibles</td>
<td>$40-50M</td>
<td>$175-200M</td>
<td>$150-175M</td>
<td>$125-150M</td>
</tr>
<tr>
<td>Acquisition related expenses</td>
<td>$120-130M</td>
<td>$80-100M</td>
<td>$40-60M</td>
<td></td>
</tr>
</tbody>
</table>

* All estimates pending completion of purchase accounting
## FINANCIAL IMPLICATIONS

### DELL’S 4Q’10 RESULTS WILL CONSOLIDATE PEROT SYSTEMS RESULTS

<table>
<thead>
<tr>
<th>Historical P&amp;L*</th>
<th>12/31/08</th>
<th>3/31/09</th>
<th>6/30/09</th>
<th>9/30/09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$683</td>
<td>$621</td>
<td>$628</td>
<td>$629</td>
</tr>
<tr>
<td>COGS</td>
<td>559</td>
<td>503</td>
<td>503</td>
<td>507</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>124</td>
<td>118</td>
<td>125</td>
<td>122</td>
</tr>
<tr>
<td>Opex</td>
<td>77</td>
<td>79</td>
<td>77</td>
<td>79</td>
</tr>
<tr>
<td>OpInc</td>
<td>47</td>
<td>39</td>
<td>48</td>
<td>43</td>
</tr>
<tr>
<td>Gross Margin, %</td>
<td>18.2%</td>
<td>19.0%</td>
<td>19.9%</td>
<td>19.4%</td>
</tr>
<tr>
<td>OpInc, %</td>
<td>6.9%</td>
<td>6.3%</td>
<td>7.6%</td>
<td>6.8%</td>
</tr>
<tr>
<td>Cash Flow from Operations</td>
<td>$79</td>
<td>$21</td>
<td>$55</td>
<td>$85</td>
</tr>
</tbody>
</table>

*Perot Systems consolidated results

- Approximately 72% of quarterly revenue comes from backlog
- Expect revenue similar to 9/30 results, though Perot typically sees some seasonal softness in the fourth quarter
- Accretive in year-one on a non-GAAP basis
- TTM CFOps $240M
- Focused on cash earnings of the business
SUPPLEMENTAL NON-GAAP MEASURES

DEFINITION*

- Non-GAAP financial measures exclude the effects of the following items from GAAP net income and GAAP earnings per share
  - Amortization of purchased intangible assets
  - Organizational effectiveness actions
  - Acquisition related costs

* A detailed discussion of our use of non-GAAP financial measures can be found in Dell’s Form 8-K dated December 16, 2009.
SUPPLEMENTAL NON-GAAP MEASURES
CONSOLIDATED DELL RESULTS

The following table sets forth, for the fiscal periods presented, a reconciliation of each non-GAAP financial measure to the most directly comparable GAAP financial measure. 4Q’10 estimates are based on preliminary information subject to change.

<table>
<thead>
<tr>
<th>GAAP</th>
<th>1Q’09</th>
<th>2Q’09</th>
<th>3Q’09</th>
<th>4Q’09</th>
<th>1Q’10</th>
<th>2Q’10</th>
<th>3Q’10</th>
<th>4Q’10</th>
<th>Estimates for 4Q’10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>784</td>
<td>616</td>
<td>727</td>
<td>351</td>
<td>290</td>
<td>472</td>
<td>337</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPS</td>
<td>$0.38</td>
<td>$0.31</td>
<td>$0.37</td>
<td>$0.18</td>
<td>$0.15</td>
<td>$0.24</td>
<td>$0.17</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Adjustments 1)

<table>
<thead>
<tr>
<th>Income before Income Taxes</th>
<th>26</th>
<th>27</th>
<th>26</th>
<th>26</th>
<th>39</th>
<th>40</th>
<th>40</th>
<th>80-90</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortization of Intangibles</td>
<td>26</td>
<td>27</td>
<td>26</td>
<td>26</td>
<td>39</td>
<td>40</td>
<td>40</td>
<td>80-90</td>
</tr>
<tr>
<td>OE Expenses 2)</td>
<td>106</td>
<td>25</td>
<td>17</td>
<td>134</td>
<td>185</td>
<td>87</td>
<td>123</td>
<td>80-120</td>
</tr>
<tr>
<td>Acquisition Related 3)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>120-130</td>
</tr>
<tr>
<td>Other 4)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>104</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Aggregate Tax-adjustments</td>
<td>(27)</td>
<td>(15)</td>
<td>(14)</td>
<td>(61)</td>
<td>(28)</td>
<td>(24)</td>
<td>(51)</td>
<td></td>
</tr>
<tr>
<td>EPS - Diluted</td>
<td>$0.05</td>
<td>$0.02</td>
<td>$0.01</td>
<td>$0.11</td>
<td>$0.10</td>
<td>$0.05</td>
<td>$0.06</td>
<td></td>
</tr>
</tbody>
</table>

Non-GAAP

| Net Income | 889 | 653 | 756 | 554 | 486 | 575 | 449 |       |
| EPS         | $0.43 | $0.33 | $0.38 | $0.29 | $0.25 | $0.29 | $0.23 |       |

1) A detailed discussion of our use of non-GAAP financial measures can be found in Dell’s Form 8-K dated December 16, 2009; 2) Organizational Effectiveness expenses; 3) Acquisition related adjustments including incremental amortization of intangibles are based on preliminary purchase accounting estimates; 4) Stock Option Accelerated Vesting Charges; 5) Estimates for Dell’s fiscal 4Q’10

Dell Investor Relations
1) Improve Core Business
   - $4B cost savings (including client reinvention)
   - Improvements to Dell.com
   - Deepening relationships in customer BU’s

2) Shift Portfolio to high-margin and recurring revenue offerings
   - Differentiated view of how to win in enterprise
   - Best value enterprise solutions
   - Inorganic growth is a strategic priority

3) Balance liquidity, profitability and growth
   - Long-term value creation framework
SUMMARY
DELL SERVICES IS...

- A top 10 global service provider
- Only one of 4 integrated service providers
- Focused on improving labor efficiency and reducing cost
- Redefining services delivery by making them modular, easier to access, and simpler to manage
- Positioned in key verticals with compelling growth trends
- Strategic and financially accretive on a non-GAAP basis