
2010 Annual Meeting of Stockholders



July 16, 2010

Welcome

Lawrence Tu

Senior Vice President, General Counsel



Forward-Looking Statements

Forward Looking Statements:

Statements in this presentation that relate to future results and events (including statements about Dell's future financial and operating performance, anticipated customer demand, enterprise solutions strategies and mix, other operating strategies, strategic investments, sales volumes, stock buybacks, and pricing) are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and are based on Dell's current expectations. In some cases, you can identify these statements by such forward-looking words as "anticipate," "believe," "could," "estimate," "expect," "intend," "confidence," "may," "plan," "potential," "should," "will" and "would," or similar expressions. 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: weak global economic conditions and instability in financial markets; weak economic conditions and additional regulation affecting Dell's financial services activities; intense competition; Dell's cost-cutting measures; Dell's ability to effectively manage periodic product and services transitions; Dell's ability to effectively manage the growth of its distribution capabilities and add to its product and services offerings; Dell's ability to achieve favorable pricing from its vendors; Dell's reliance on third-party suppliers for product components, including reliance on several single-sourced or limited-sourced suppliers; disruptions in component or product availability; successful implementation of Dell's acquisition strategy; Dell's ability to generate substantial non-U.S. net revenue; Dell's product, customer, and geographic sales mix, and seasonal sales trends; Dell's ability to access the capital markets; loss of government contracts; customer terminations of or pricing changes in services contracts, or Dell's failure to perform as it anticipates at the time it enters into services contracts; Dell's ability to hedge effectively its exposure to fluctuations in foreign currency exchange rates and interest rates; counterparty default; unfavorable results of legal proceedings; Dell's ability to obtain licenses to intellectual property developed by others on commercially reasonable and competitive terms; expiration of tax holidays or favorable tax rate structures, or unfavorable outcomes in tax audits and other compliance matters; Dell's ability to maintain strong internal controls; changing environmental and safety laws; the effect of armed hostilities, terrorism, natural disasters, and public health issues; information technology and manufacturing infrastructure disruptions or breaches of data security; Dell's ability to attract, retain, and motivate key personnel; the fact that Dell can give no assurance as to the ultimate outcome of the SEC investigation, when any settlement with the SEC might occur, the terms or conditions of any settlement, or the potential impact of any resolution of this matter on Dell's business; and other risks and uncertainties discussed in Dell's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for its fiscal year ended January 29, 2010. Dell assumes no obligation to update its forward-looking statements, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures

This presentation includes information about non-GAAP operating income (the "non-GAAP financial measure"), which is not a measurement of financial performance prepared in accordance with U.S. generally accepted accounting principles. We have provided a reconciliation of the historical non-GAAP financial measure to the most directly comparable GAAP measure in the slide captioned "Supplemental Non-GAAP Measures." A detailed discussion of our reasons for including the non-GAAP financial measure and the limitations associated with the measure is presented in the press release furnished as an exhibit to Dell's Form 8-K filed on May 20, 2010 and the press release furnished as an exhibit to Dell's Form 8-K/A filed on June 10, 2010. We encourage investors to review the reconciliation and the non-GAAP discussion in conjunction with our presentation of the non-GAAP financial measure.



Growth Strategy

Michael Dell
Chairman and CEO



What We Are Doing...

- Executing a growth strategy
- Building a solutions focused organization
- Driving leadership in key products and services
- Committed to growing operating income and cash flow dollars



Customers Have Clear Pain Points

Technology priorities shaping our industry

Drivers

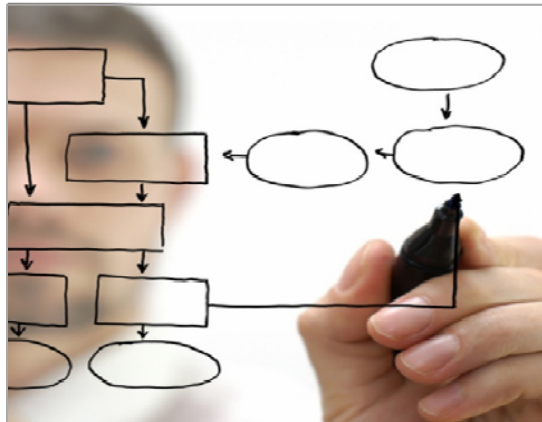
- Flexibility & Agility
- Efficiency (Simplification, TCO, ROI)
- Server Virtualization
- Cloud Computing
- Unabated Storage Growth
- Data Integrity & Security
- Flexible Computing
- Consumerization + Mobility
- Networking & Systems Management
- Applications Proliferation & Workload

Solutions

- 1 Intelligent Infrastructure**
Keeping pace with data processing, storage & networking needs
- 2 Simplified IT Management**
Adjusting to mobile user needs & flexible IT infrastructure
- 3 Streamlined Applications**
Upgrading and/or managing complex applications
- 4 Intelligent Data Management**
Managing data to ensure business continuity & security

We Are Executing a Growth Strategy

Built on delivering enterprise solutions and growing operating income and cash flow



Efficient Enterprise Solutions

Differentiated view of the enterprise
Designing solutions that are open, capable and affordable

Grow Solutions



Online Leadership & Flexible Value Chain

Reducing complexity and optimizing our value chain
Accelerating our online leadership to enhance customer intimacy

Grow Client



Balanced Liquidity, Profitability and Growth

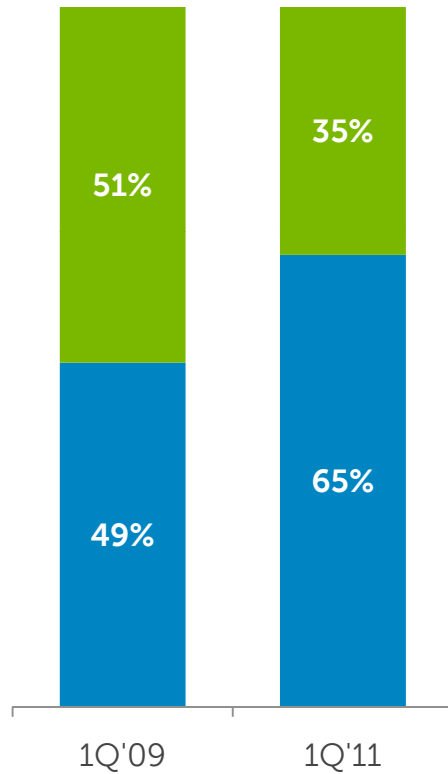
Long-Term value creation
> 5-7% revenue growth
> 7%+ OpInc
CFOps > Net Income

Increase Enterprise Value

We Are Building a Solutions Focused Organization

Shifting our revenue and product mix

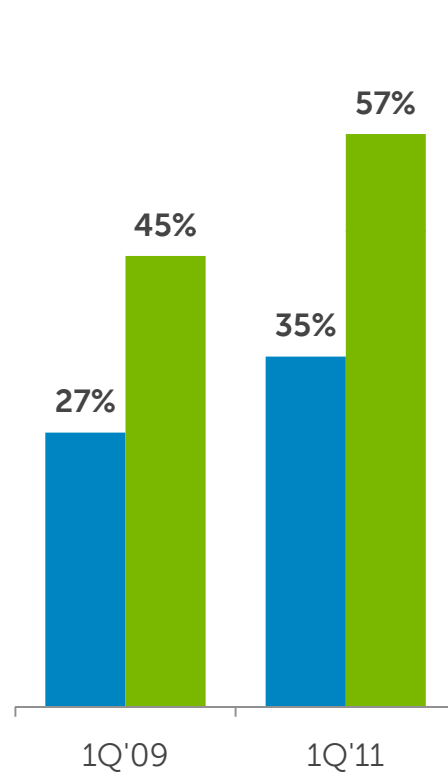
Dell Team Members*



■ Solutions ■ Non-Solutions

* Solutions resources in commercial R&D, sales, marketing and services

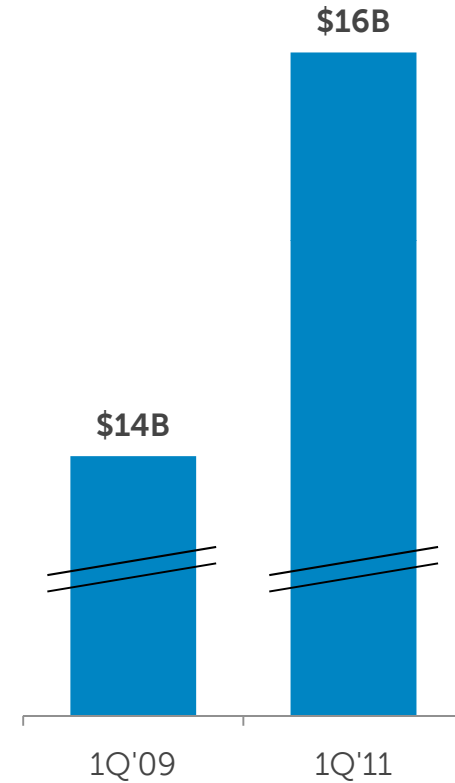
Solutions Mix**



■ Revenue Mix ■ GM Mix

** Combined server, networking, storage & services revenue in LE, Public & SMB

Solutions Revenue***



■ Annualized Revenue

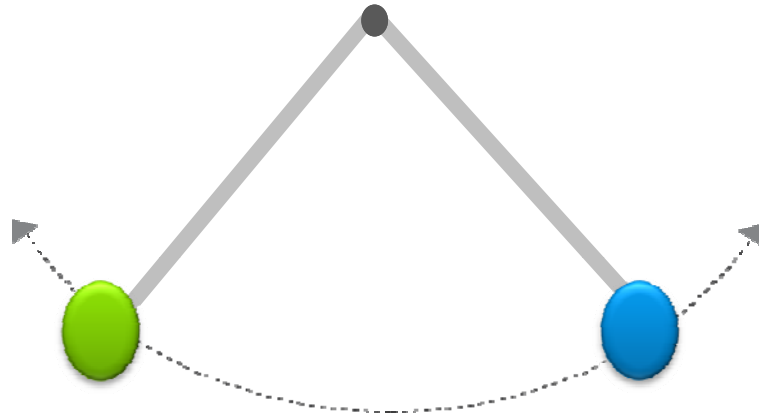
*** First quarter annualized revenue



Differentiated View of the Enterprise

Customers are deciding how and who to partner with to help them succeed

Two Technology Philosophies



<ul style="list-style-type: none">- Closed & Proprietary- Vertically Integrated- No choice- Price Premium- Compromised	<ul style="list-style-type: none">+ Open & Industry Standard+ Virtually Integrated+ Choice+ Capable <u>and</u> Affordable+ Uncompromised
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Our View

Customer Choice

Open, Capable and Affordable

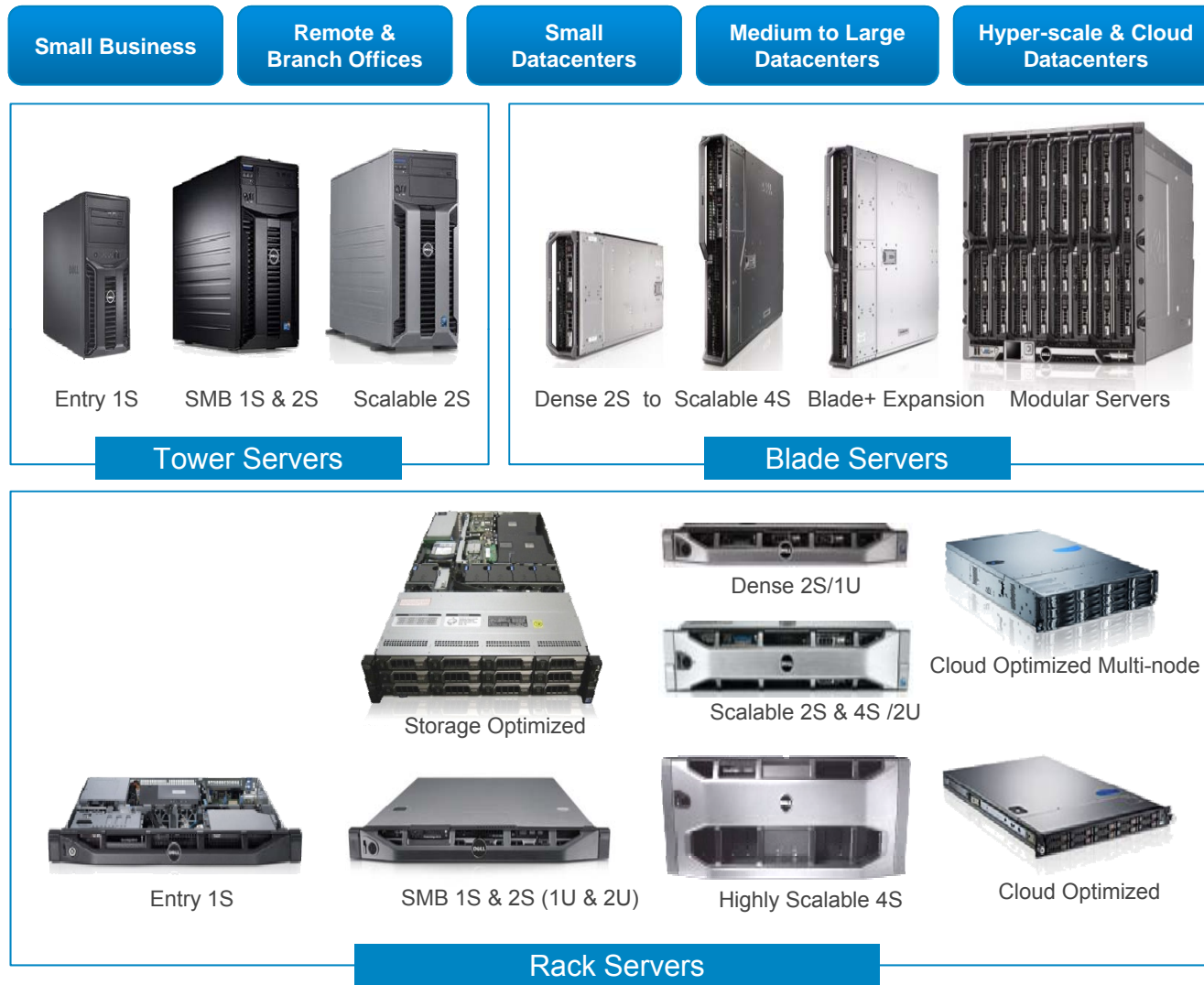
Integrated, Best-of-Breed Solutions

Modular and Flexible Solutions

Mutually Committed Alliances

Covering all the Hilltops

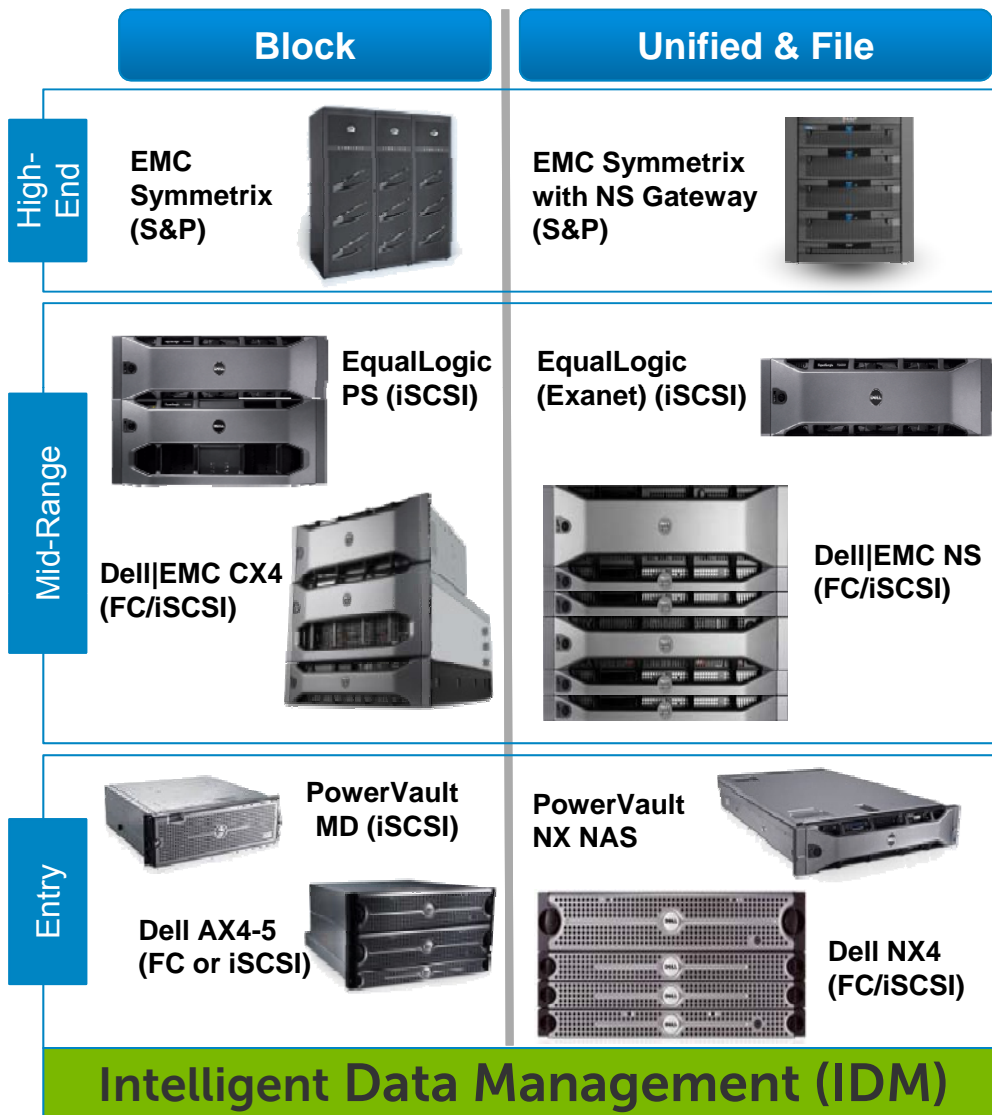
Leading from single server to hyper-scale and cloud



- Hyper-scale & cloud inspired servers
- Maintaining leadership in racks
- Filling out competitive blade portfolio
- Embedded intelligence in servers for easier lifecycle management and enablement of remote services

Scaling-out and Intelligently Managing Storage

Dell is designing and innovating in the highest growth storage segments



- Have innovative products at every storage tier
- Work with EMC for fiber channel, high end storage and data deduplication
- Leadership in fast growing segments (iSCSI and <\$100k price band)
- Working on common architecture for SAN and Unified Storage for block and file systems (EqualLogic/Exanet)
- Unified data management across lifecycle enabling data mobility, security
- Object based storage solutions



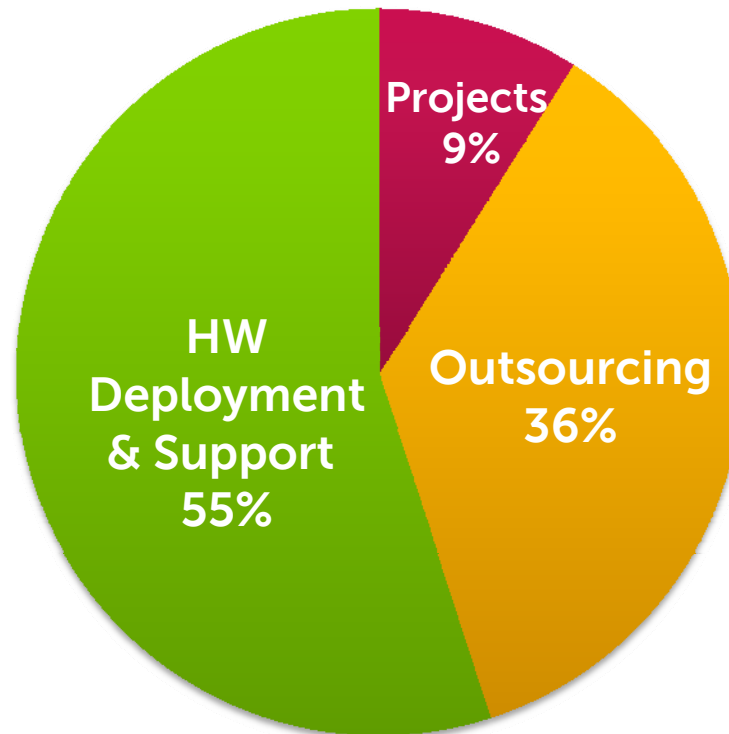
Growing Dell Services

Expanding pipeline and increasing recurring revenue

**% of Total Services Revenue
~\$8B Services Business**

Hardware Deployment & Support

- Recurring revenue business
- Focus on deployment and long-term support
- Provides an important set of capabilities and reach leveraged within outsourcing engagements



Projects

- Consists predominantly of short-term engagements
- Wide array of capabilities

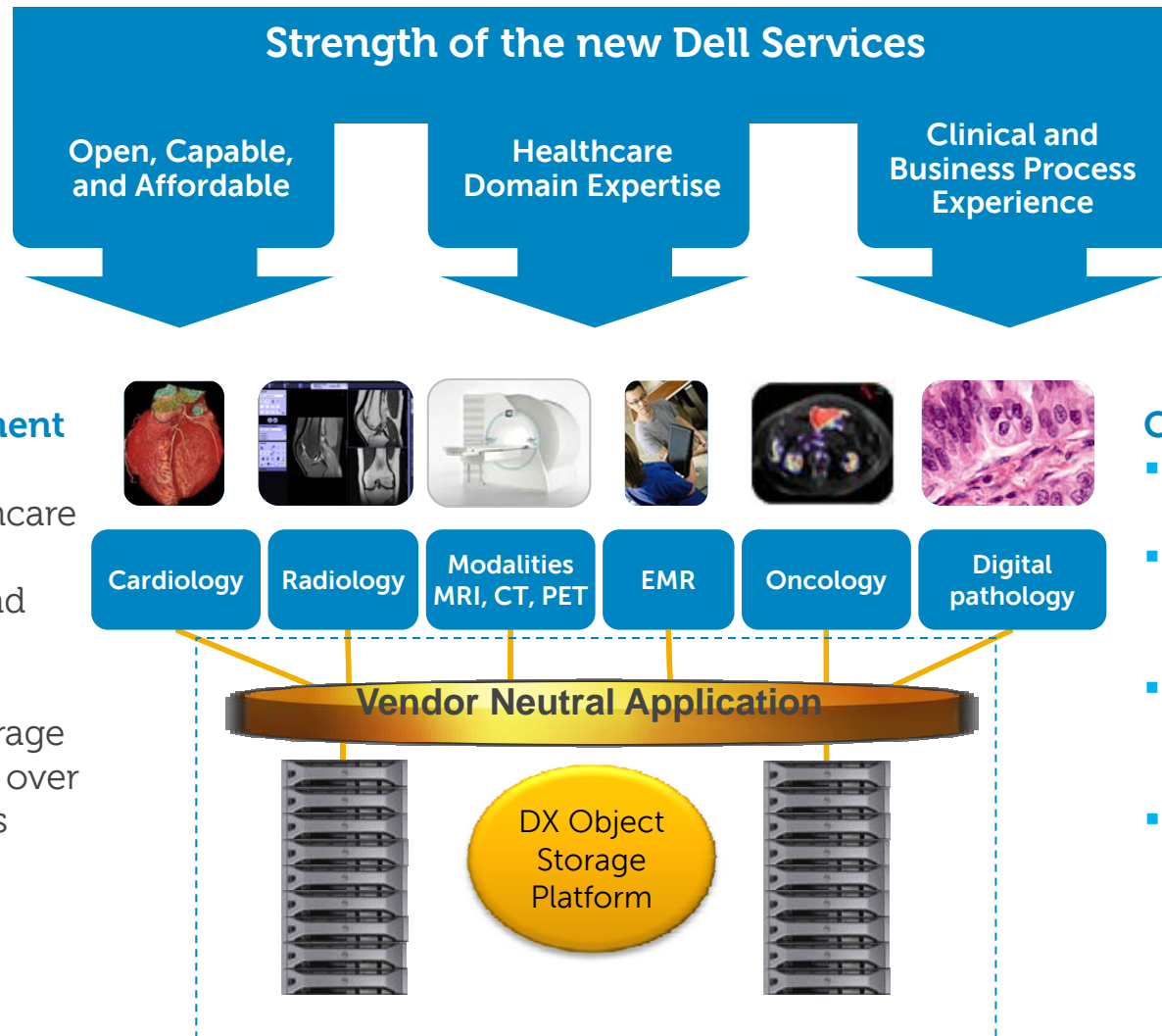
Outsourcing

- Recurring revenue business
- End-to-end service capability
- Experienced increased demand



Extending our Solutions Portfolio with New Dell Services

Scalable medical archiving solution built on domain expertise



Services Compliment


- #1 Provider of IT services in healthcare (Gartner, 2010)¹
- Strong clinical and business process expertise
- Manage data storage requirements for over 1,000 of hospitals

Customer Benefits

- Assurance of HIPAA compliance
- Scalability to meet current and future reg requirements
- Seamlessly links business office and clinical functions
- Reduced TCO

We Are Driving Leadership

Across critical new IT requirements



#1

CLOUD
INFRASTRUCTURE
PROVIDER

#1

iSCSI
STORAGE SOLUTION
PROVIDER

#1

IN HEALTHCARE
IT SERVICES
PROVIDER

20 OF THE TOP 25

MOST TRAFFICKED
WEBSITES

\$100M+

SAVED
OVER 2 YEARS WITH
VIRTUALIZATION

41K+

SERVICES and IT
PROFESSIONALS
(11,000 Sales Professionals)



Corporate Responsibility

Fiscal year 2010 meaningful milestones

Dell
YouthConnect
launched in
8 countries



Industry's first to ban
e-waste exporting to
developing countries

Maintained
industry's first
free worldwide
consumer
recycling
program



201,227
hours of
team
member
volunteer
services

6th time
perfect score
on Corporate
Equality
Index

\$27.4 million
in global
giving

1st tech company to
offer sustainable
bamboo packaging



Financial Goals

Brian Gladden

Senior Vice President and CFO



Count on Today... With Confidence

Improving profitability & maintaining a healthy balance sheet

Improve Profitability

(operating income)



- Portfolio leverage in commercial
- Opex well managed
- Good overall mix dynamics

Get our fair share of IT spend

(not just client unit share)



- Good client cost progress
- Strong Commercial relationships and expanding Enterprise position
- Strong in emerging countries

Deliver Strong Cash flow + ROIC



- Strong Cash P&L
- Sustained CCC dynamics
- Great execution

Disciplined Capital Structure



- Strong cash generation
- Disciplined acquisition strategy
- Moderate buyback sustained

Company Priorities

Driving revenue, operating income, & cash flow

Management Focus & Incentives

- Tied to Revenue, Op Income* and Cash Flow
- Big focus on customer satisfaction
- Accountability driven through organization
- Strategic Investments

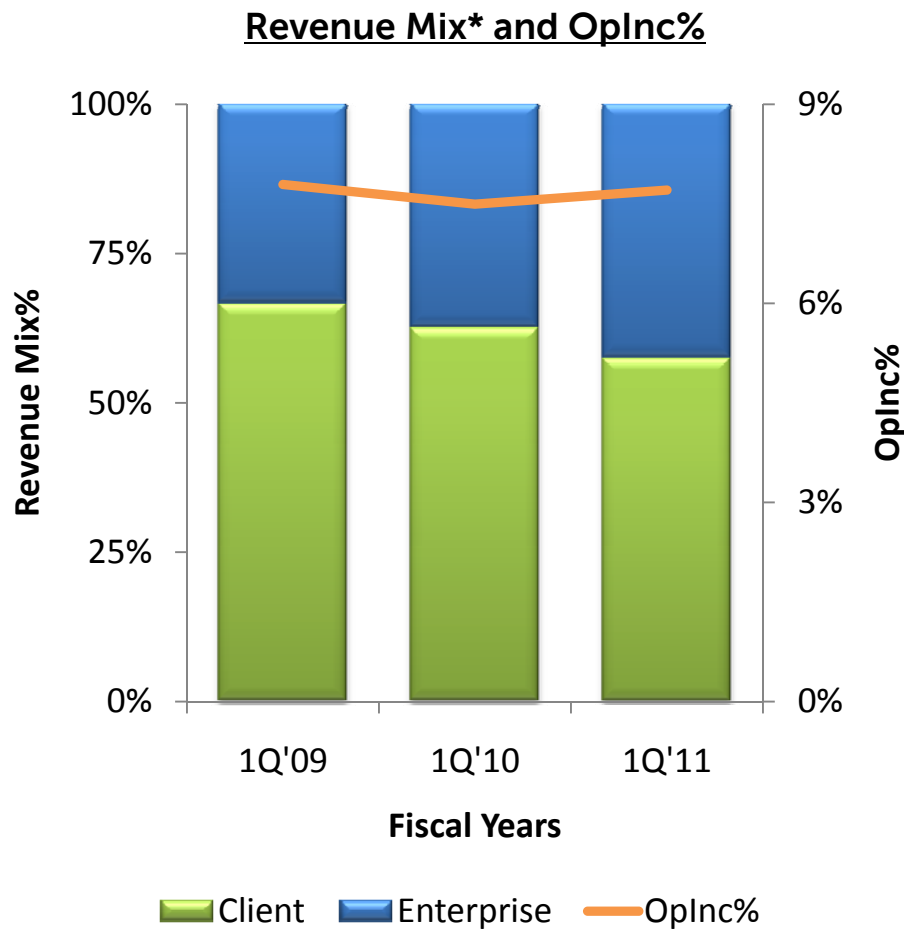
FY11 Annual Bonus Plan

	<u>Company</u>	<u>SBU</u> s
Revenue	✓	✓
Op Inc*/ Cash Flow	✓ +	✓ +
Customer Satisfaction	✓	✓
Strategic Initiatives	✓	✓



Commercial Business Delivering Solid Results

Committed to expanding enterprise mix and operating income



- \$46B** franchise with ~8% OpInc
 - 78% of Dell revenue
 - Enterprise mix growing
- Weathered '08/'09 storm
- Poised to benefit from industry rebound



Shifting Mix to Enterprise Solutions

\$17 billion business with significant growth potential



Dell Services \$8B

- Expanding globally with end-to-end services capability

Storage Solutions \$2B

- Leadership in fast growing segments (iSCSI and <\$100k price band)
- Expanding storage platform with innovative products at every tier





Servers \$7B

- #1 in US and #2 Worldwide in x86
- Leading from single server to hyper-scale and cloud

Improving Consumer Profitability

Optimizing synergies, scale, and costs

Key Consumer Metrics¹

Cash Flow	>\$500M	
Unit Growth	>20%	
Scale	>\$300M	
ROIC ¹	>20%	
OpInc%	~1%	

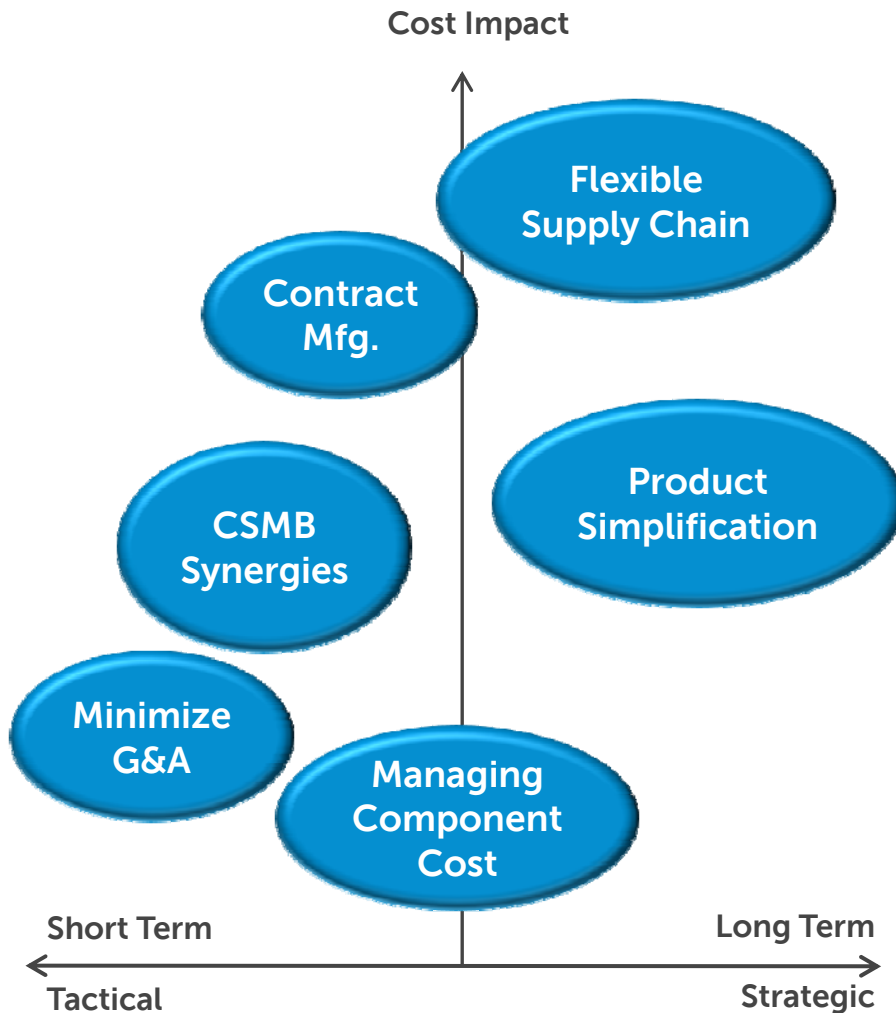
- Retail profitability challenged
- Client scale important
 - \$300M+ benefits to other BUs
 - Includes leverage of suppliers, fixed mfg. and G&A costs
- Negative Working Capital
 - Low Investment
 - Solid cash flow dynamics
- Action plans
 - Execute Consumer and SMB synergies
 - Manage retail thru global mix
 - Simplify product line
 - Continue mfg. action plans

¹Trailing Twelve Months (TTM). ROIC internal calculation based on NOPAT / Net Invested Capital. Net Invested Capital is not fully burdened for SBUs. Cash Flow internal calculation is based on Net Income + Non-cash adjustment + Changes in AR, Inventory, AP and Finance Receivables



Progress on Cost Initiatives

Additional cost-out efforts



Recent Accomplishments

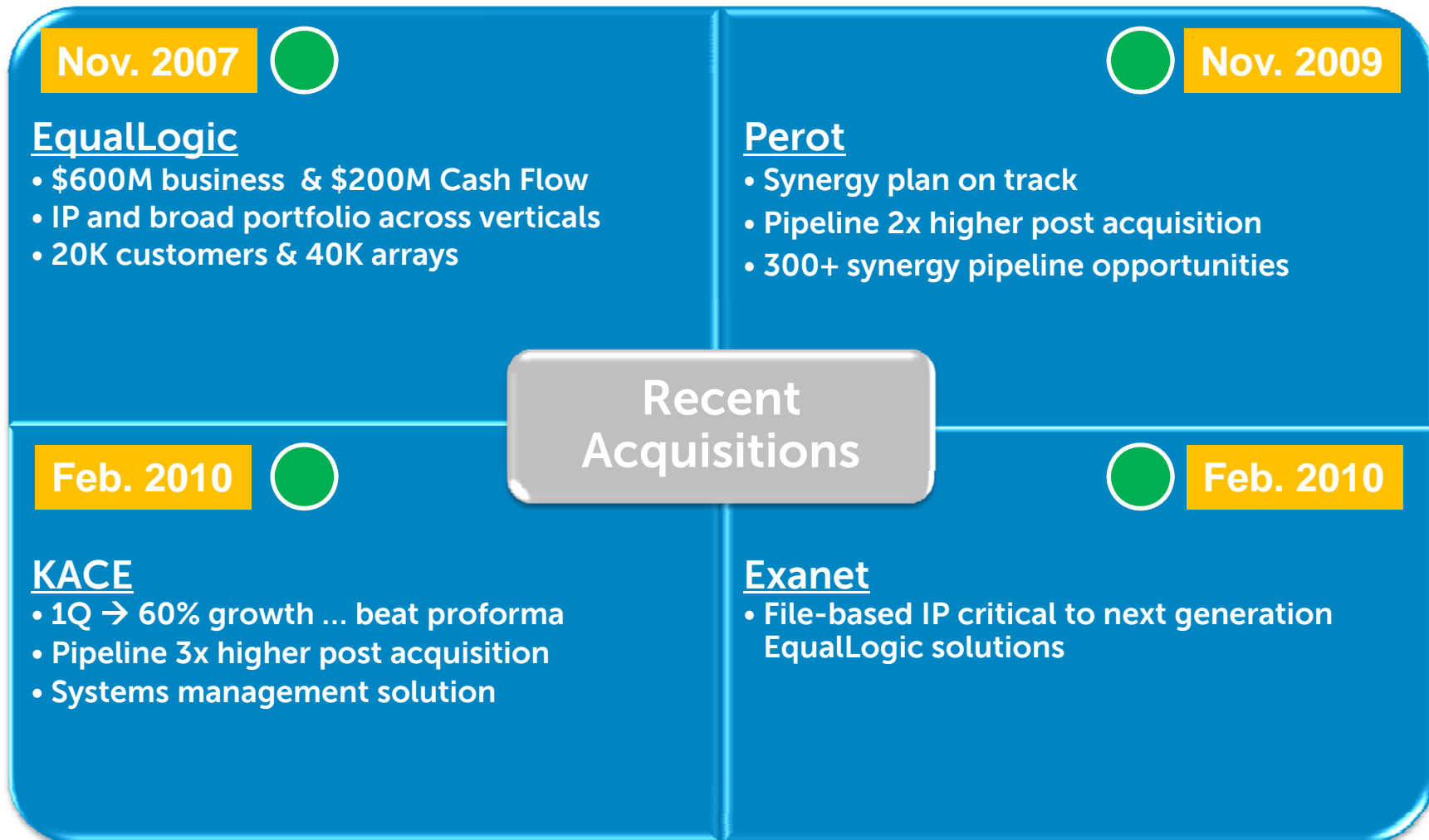
- Good Opex discipline... Q1 Non-GAAP Operating expense declined Y/Y to 12.0%
- Scaling Opex as demand improves... while investing in key strategic programs

FY11 Priorities

- COGS savings through complexity reduction & leverage
- Continue to shift product to optimized manufacturing models (ODM)
- Lean product development & operations
- Reducing G&A support costs

Disciplined Acquisitions... Building a Track Record

Focused on expanding solutions business and profitability



Solid Cash Generation & Disciplined Capital Allocation

Provides flexibility and fuels future growth

Highlights

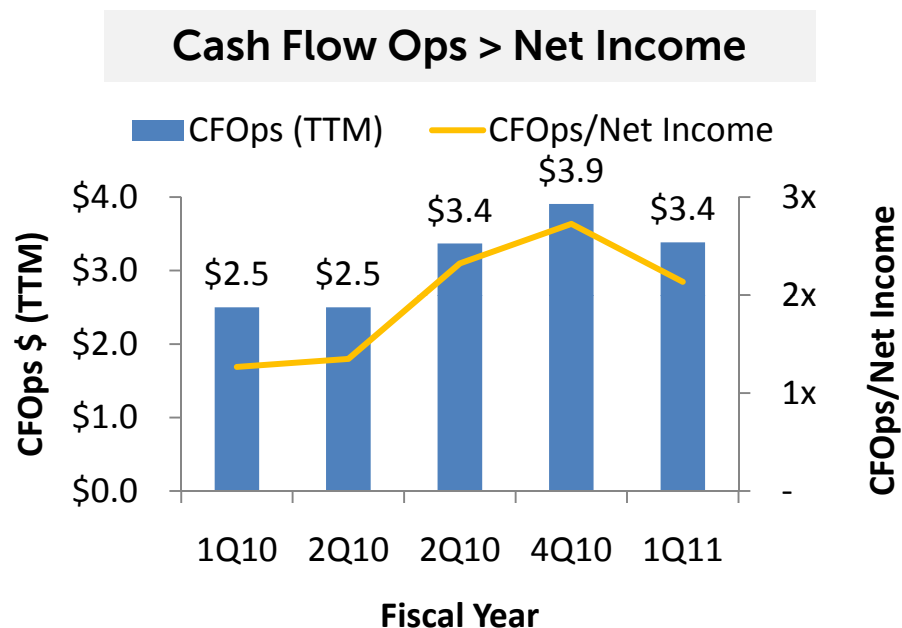
- Sustained strong CFOps vs. 5 year average
- Reliable CCC performance

Capital Plans

- Focused on key strategic investments and moderate share repurchase
- Still managing US liquidity challenges

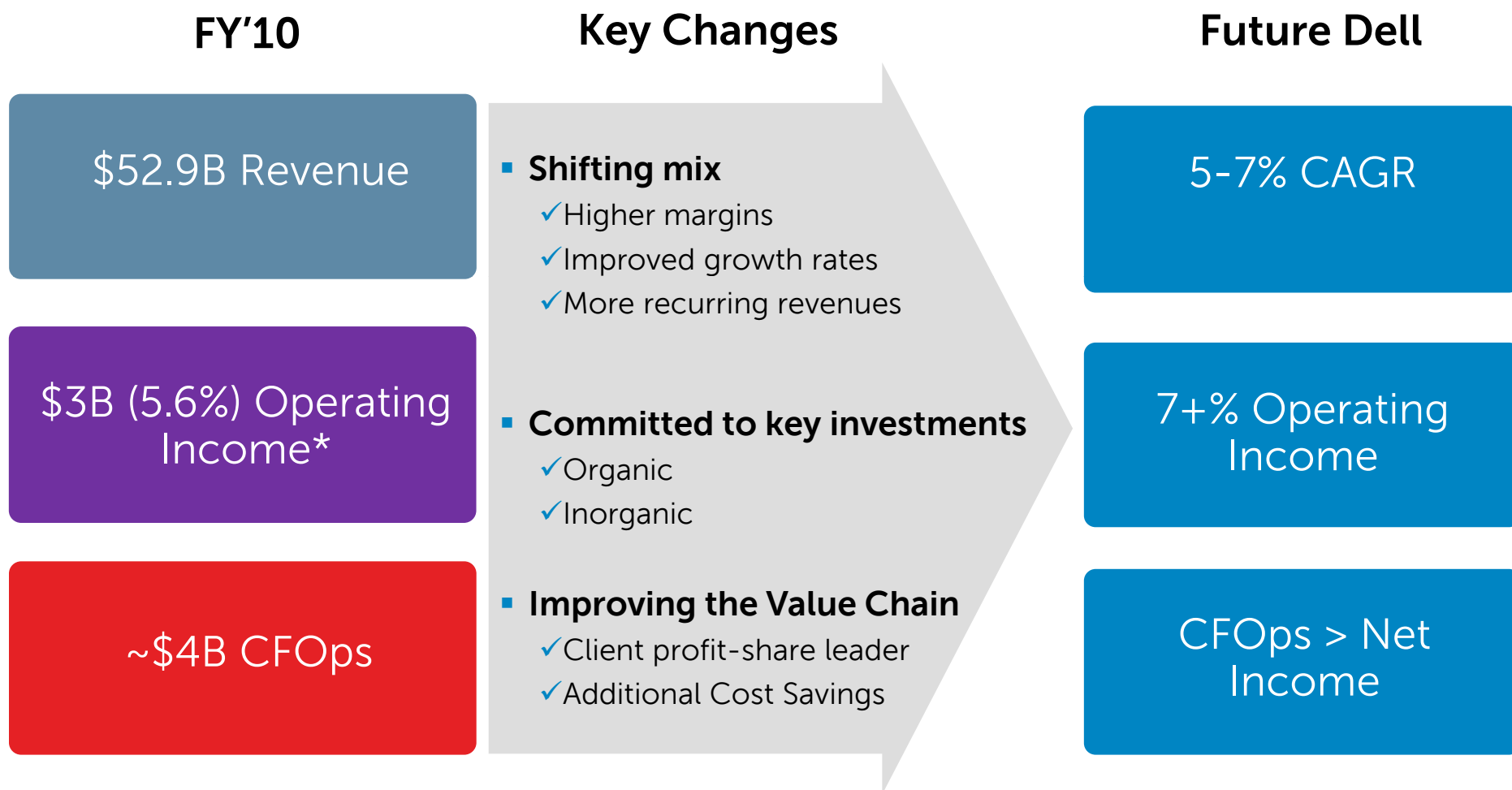
Outlook

- Expect majority of CFOps from P&L
- Expect increasingly efficient capital usage and less CapEx deployment



Focused on Long Term Value Creation

Operating plans aligned to drive revenue, operating income, & cash flow



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Supplemental Non-GAAP Measures

	Actual	FY'10
<u>GAAP operating expenses</u>		7,089
<u>Non-GAAP adjustments:</u>		
Amortization of intangibles		(54)
Severance and facility actions		(245)
Acquisition-related		(115)
Other		
<u>Non-GAAP operating expenses</u>		6,675
<u>GAAP operating income</u>		2,172
<u>Non-GAAP adjustments:</u>		
Amortization of intangibles		205
Severance and facility actions		481
Acquisition-related		116
Other		
<u>Non-GAAP operating income</u>		2,974
Percentage of Total Net Revenue:		
<u>GAAP operating expenses</u>		13.4%
Non-GAAP adjustment		-0.8%
<u>Non-GAAP operating expenses</u>		12.6%
<u>GAAP operating income</u>		4.1%
Non-GAAP adjustment		1.5%
<u>Non-GAAP operating income</u>		5.6%