
2010 Dell Analyst Meeting



June 24, 2010

Welcome

Rob Williams

Director, Investor Relations



Forward-Looking Statements

Special note

As discussed in our Form 10-Q filed with the SEC on June 10, 2008, in connection with ongoing settlement discussions between the company and the SEC staff, the parties have discussed a settlement framework relating to the previously reported SEC investigation. However, due to the sensitive, confidential and continuing nature of these discussions, we will not be commenting on or answering questions regarding the status of the SEC investigation or the potential settlement as it relates to the company or any individual employees, but rather we welcome you to review the public disclosures contained in the company's filings with the SEC for more information.

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 including client refresh timing and scope, enterprise solutions strategies, other operating strategies, strategic investments, sales volumes, stock buybacks, currency fluctuations, pricing, component cost and availability, and operating synergies as well as the financial guidance with respect to revenue, non-GAAP operating income and cash flow from operations) 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

Forward-Looking Statements

Forward Looking Statements (continued):

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. In particular, Dell's expectations with regard to revenue, non-GAAP operating income and cash from operations for the full fiscal year ending January 28, 2011 assume, among other matters, that there is no significant decline in economic conditions generally or demand growth specifically, no significant adverse currency fluctuations which are unhedged, and no significant adverse component pricing or supply movements. 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 expenses and non-GAAP operating income (collectively the "non-GAAP financial measures"), which are not measurements of financial performance prepared in accordance with U.S. generally accepted accounting principles. We have provided a reconciliation of the historical non-GAAP financial measures to the most directly comparable GAAP measures in the slides captioned "Supplemental Non-GAAP Measures." We have not provided a reconciliation of forward looking non-GAAP financial measures because our forecasts are developed at a level of detail different than that used to prepare GAAP-based financial measures, and exclude certain amounts pertaining to events that have not yet occurred and are not currently possible to estimate with a reasonable degree of accuracy. Non-GAAP operating income growth as projected for full fiscal year 2011, which is a forward looking non-GAAP financial measure, excludes the impact of acquisition related charges, amortization of purchased intangible assets related to acquisitions, severance and facility action costs, and accruals for a potential settlement of the SEC investigation as well as a provision for a securities litigation matter that were accrued for the first quarter of Fiscal 2011. A detailed discussion of our reasons for including the non-GAAP financial measures and the limitations associated with those measures is presented in the press release furnished as an exhibit to Dell's Form 8-K filed on May 20, 2010, the press release furnished as an exhibit to Dell's Form 8-K/A filed on June 10, 2010 and the press release furnished as an exhibit to Dell's Form 8-K filed on June 23, 2010. We encourage investors to review the reconciliation and the non-GAAP discussion in conjunction with our presentation of the non-GAAP financial measures.

Agenda

8:00 – 8:05 AM	Welcome	Rob Williams	Director, Investor Relations
8:05 – 8:20 AM	Growth Strategy	Michael Dell	Chairman and CEO
8:20 – 9:00 AM	Financial Goals	Brian Gladden	SVP and Chief Financial Officer
9:00 – 10:00 AM	Igniting Profitable Client Growth	Jeff Clarke Steve Felice Erin Nelson Ron Rose	Vice Chairman, Operations and Technology President, Consumer and SMB SVP, Chief Marketing Officer SVP, Dell.com
10:00 – 10:15 AM	Break		
10:15 – 11:15 AM	Enterprise Solutions	Steve Schuckenbrock Paul Bell Peter Altabef Donna Troy	President, Large Enterprise President, Public President, Dell Services VP, Solutions Marketing and Sales
11:15 AM – 12:15 PM	Enterprise Technology	Brad Anderson Dave Johnson Chuck Lyles	SVP, Enterprise Product Group SVP, Corporate Strategy VP, Public Sector Services
12:15 – 12:40 PM	Lunch		
12:40 – 1:30 PM	Q & A Session	Michael Dell Brian Gladden	Chairman and CEO SVP and Chief Financial Officer

Growth Strategy

Michael Dell
Chairman and CEO



Technology Priorities Shaping Our Industry

Tightly aligned with customer feedback

- Server Virtualization
- Cloud Computing
- Cloud-Optimized Services
- Data Integrity & Security
- Mobility & Collaboration
- Flexible Computing
- Networking & Systems Management
- Applications Proliferation & Workload

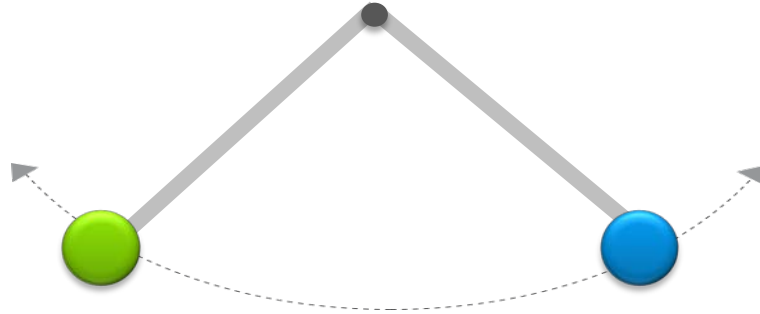
Overall Themes

- 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

Differentiated View of the Enterprise

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

Two Technology Philosophies



- Closed & Proprietary
- Vertically Integrated
- No choice
- Price Premium
- Compromised

- + Open & Industry Standard
- + Virtually Integrated
- + Choice
- + Capable and Affordable
- + Uncompromised

Our View

Customer Choice

Open, Capable and Affordable

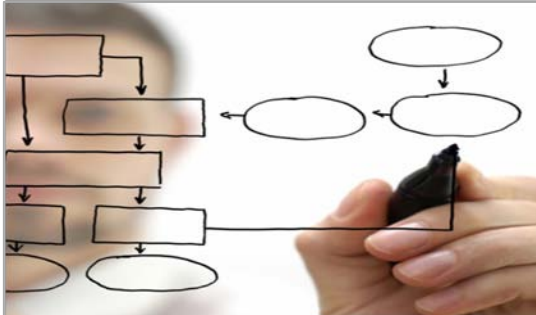
Integrated, Best-of-Breed Solutions

Modular and Flexible Solutions

Mutually Committed Alliances

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

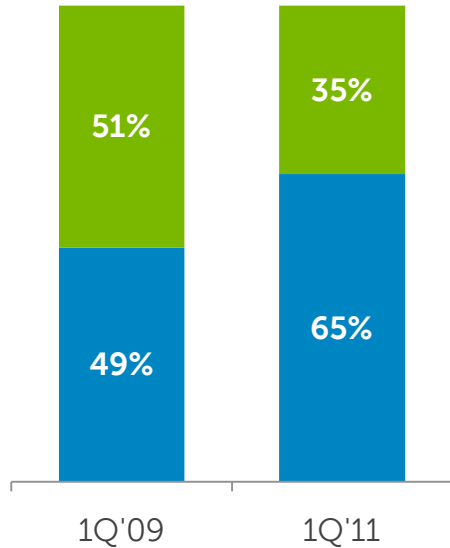
Long-Term value creation
> 5-7% revenue growth
> 7%+ OpInc
CFOps > Net Income

Increase Enterprise Value

Enterprise Solutions Focus

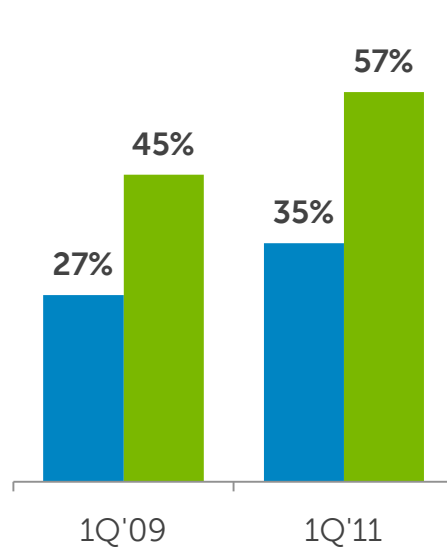
Executing our strategy – growing commercial solutions revenue and profit mix

Dell Team Members*



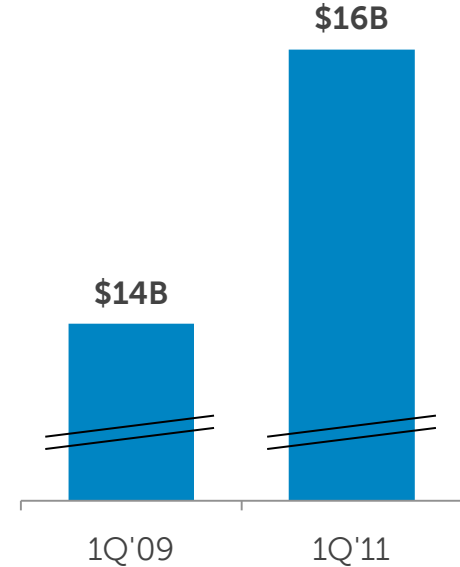
■ Solutions ■ Non-Solutions

Solutions Mix**



■ Revenue Mix ■ GM Mix

Solutions Revenue***



■ Annualized Revenue

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

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

*** First quarter annualized revenue

Our Growth Commitment

Making investments and building on our strengths

- Evolution will take time and will require investment (organic and inorganic)
- Focused on enterprise solutions that are open, capable and affordable
- Have a significant corporate client refresh ahead of us
- Disruptive technology inflection points create great opportunities for Dell
 - Server virtualization
 - Cloud computing
 - Data integrity and security
 - Networking and systems management



Financial Goals

Brian Gladden

Senior Vice President and CFO



Summary

- Franchise is solid with many strengths
- Demand is improving
... returns better plus investing for the future
- Committed to executing & improving company
- Progress towards financial framework from last year

Franchise is Solid Today

Generating solid returns and expanding to more profitable solutions

Enterprise Solutions & Services

Client and S&P

		% Revenue '07	1Q11	Estimated OpInc%	Competitive Position/ Trend	
Enterprise Solutions & Services	Commercial, 92%	9%	13%	solid double digits+	+ / +	<ul style="list-style-type: none"> Execute well in profitable core Build out broader Dell Services Business <p>Invest to grow.. .solid double-digit OpInc</p>
	Consumer, 8%					
Enterprise Solutions & Services	Servers, 76%	14%	16%	high-single digits	- / +	<ul style="list-style-type: none"> Invest ... broader offerings ... solutions Open + Value-oriented <p>Grow to 20%+ of Dell ... 10-12% OpInc</p>
	Storage, 24%					
Client and S&P	Commercial, 67%	61%	54%	low-single digits	= / -	<ul style="list-style-type: none"> Commercial leadership Attach high margin services and S&P Cost out...supply chain and box <p>Should be 5% OpInc & High ROIC</p>
	Consumer, 33%					
Client and S&P	Commercial, 83%	16%	17%	mid-single digits	= / =	<ul style="list-style-type: none"> Direct asset; solid \$10B business <p>5-7% OpInc business with limited invest</p>
	Consumer, 17%					



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
 - Share trend positive
- 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 Net Promoter Score
- Accountability driven through organization
- Strategic Investments

Long Term Incentive Plan Highlights

- 3 year time horizon ... options/RSUs
- Cash flow from ops & TSR threshold metrics
- Annual levels based on Operating Income*

* Dell's annual bonus plan is based on Non-GAAP Operating Income.

FY11 Annual Bonus Plan

	<u>Company</u>	<u>SBUs</u>
Revenue	✓	✓
Op Inc*/ Cash Flow	✓ +	✓ +
NPS	✓	✓
Strategic Initiatives	✓	✓

Field Sales Compensation Highlights

- 6 month plans
- Tied to revenue and margin commitments
- Leveraged to strategic initiatives -- Enterprise > Client

Demand is Improving... but Volatility Remains

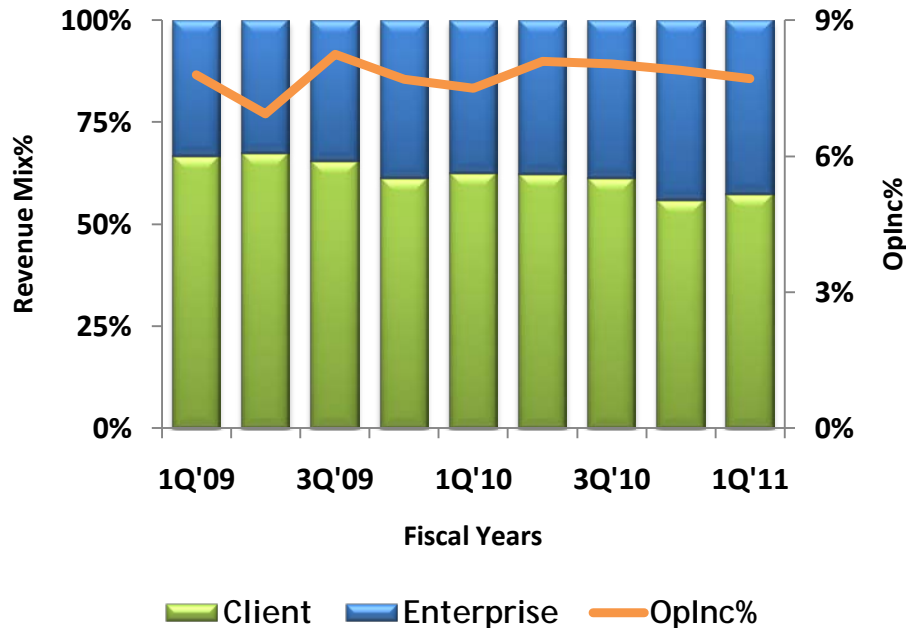
Near term drivers

Near-Term Dynamics	Trend	Dell Position
Demand Growth		
Commercial	++	Positioned for strong demand during extended client refresh
Consumer	+/-	Balance growth & profit
Components		
Supply	=	OK
Pricing	--	Challenged thru 3Q/ early 4Q
Pricing Environment	=	ASPs improving... mix/FX/components
Currency Impacts	Higher Volatility	Longer hedge time horizon... and smaller Europe exposure

Commercial Business Delivering Solid Results

Committed to expanding enterprise mix and operating income

Revenue Mix* and OpInc%



- \$46B* franchise with ~8% OpInc
 - 78% of Dell revenue
 - Enterprise mix growing
- Weathered '08/'09 storm
 - Total Dell Opex reduced by \$1.5B*
 - Invested in products, services, and sales
- Poised to benefit from industry rebound
 - Grow client with PC refresh strength
 - Expand Enterprise and improve profitability

* Revenue mix excludes Software & Peripherals. Commercial franchise figure is based on 1Q'11 annualized. Operating expense savings is from FY08 GAAP to FY10 Non-GAAP

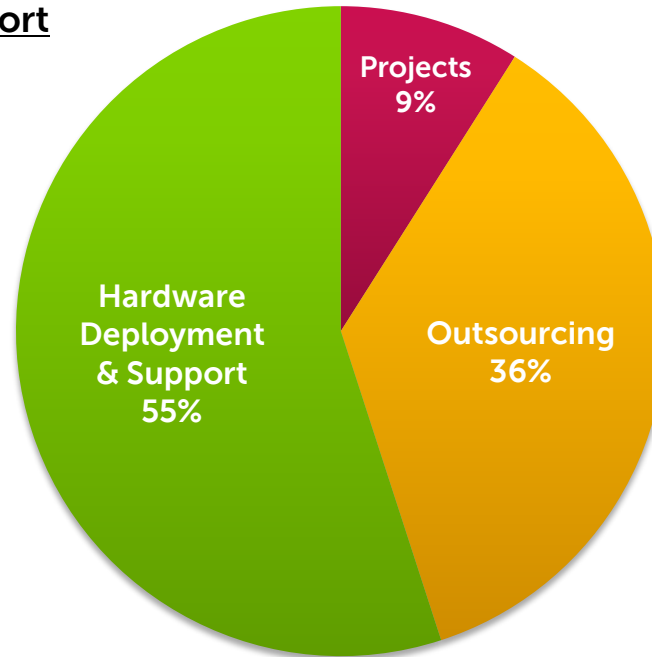
Growing Dell Services

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

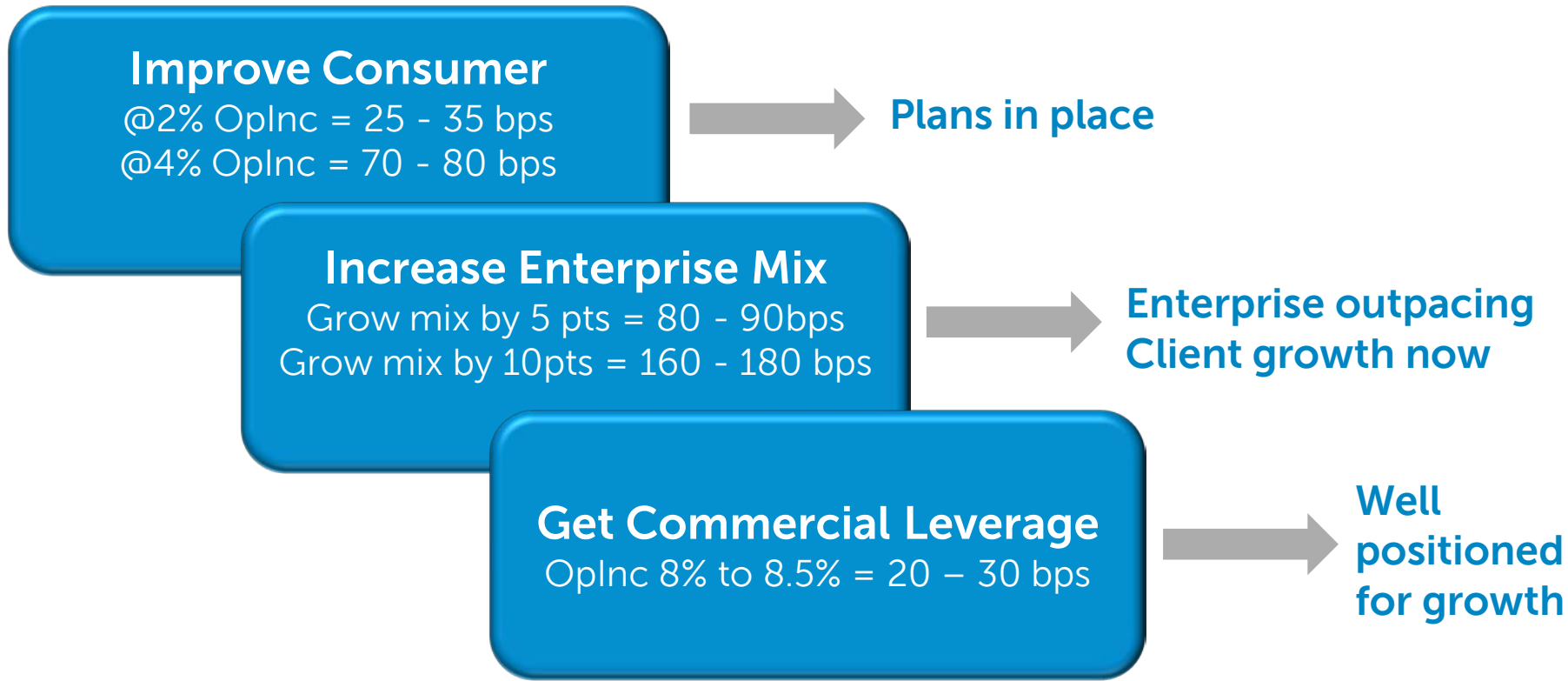
- Consists predominantly of short-term engagements
- Wide array of capabilities

Outsourcing

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

Multiple Paths to 7%+ Operating Income






Committed to consistent improvement in operating income & cash flow



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

Shifting Mix to Enterprise Solutions and Services

\$17 billion business with significant growth potential

Storage Solutions \$2B

- #1 in iSCSI with 78% Y/Y revenue growth
- #4 in total external disk storage systems
- Building on platform across commercial segments

Dell Services \$8B

- #1 Worldwide IT Healthcare service provider
- #1 in North America for IT Service & Support Customer Satisfaction (TBR)
- Expanding globally with end-to-end services

Servers ++ \$7B

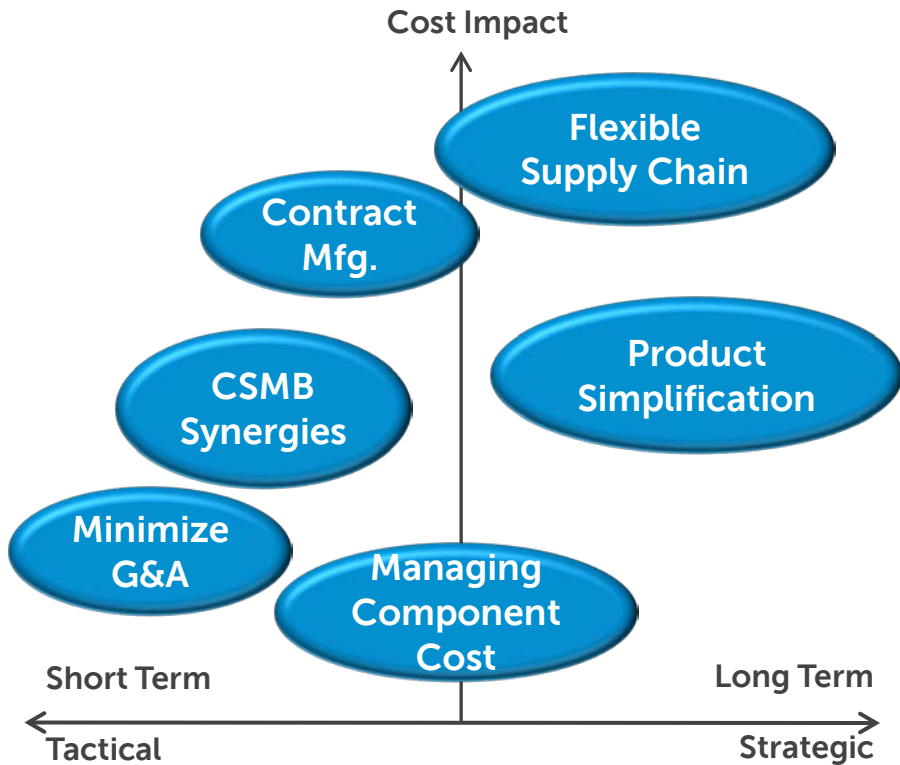
- #1 in US, #2 WW in x86 with 39% Y/Y revenue growth
- 2nd consecutive quarter of double-digit year-over-year growth
- Driving growth through data center solutions

Sources: IDC Data Tracker; Gartner 2009 IT Services Report; TBR Retrospective Analysis of Dell Services Customer Satisfaction, October 2009



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

Nov. 2007



EqualLogic

- \$600M business & \$200M Cash Flow
- IP and broad portfolio across verticals
- 20K customers & 40K arrays

Nov. 2009



Perot

- Synergy plan on track
- Pipeline 2x higher post acquisition
- 300+ synergy pipeline opportunities

Recent Acquisitions

Feb. 2010



KACE

- 1Q → 60% growth ... beat proforma
- Pipeline 3x higher post acquisition
- Systems management solution

Feb. 2010



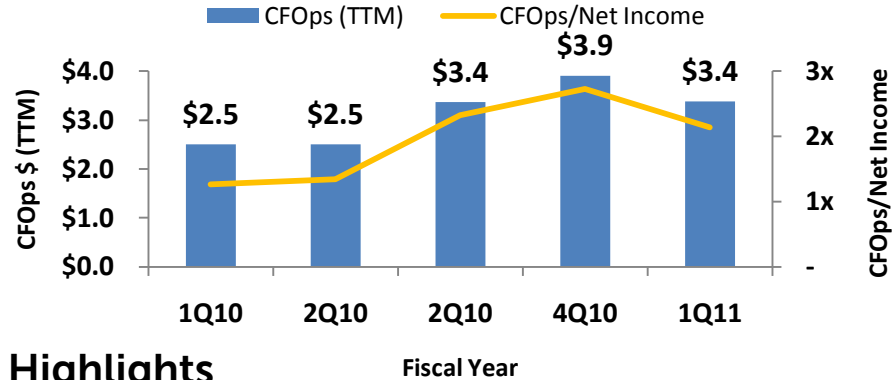
Exanet

- File-based IP critical to nextgen EqualLogic solutions

Solid Cash Generation & Disciplined Capital Allocation

Provides flexibility and fuels future growth

Cash Flow Ops > Net Income



Highlights

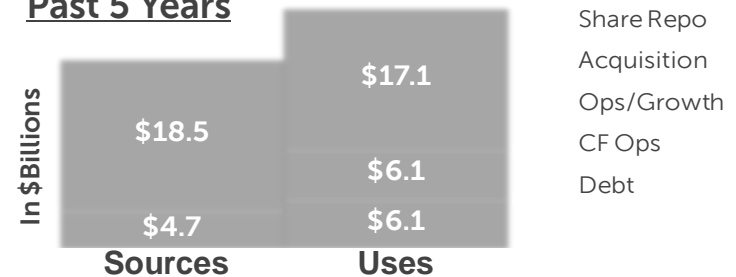
- Sustained strong CFOps vs. 5 year average
- Reliable CCC performance

Outlook

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

Capital Allocation

Past 5 Years



Capital Plans

- Focused on key strategic investments and moderate share repurchase
- Manufacturing strategy reducing CapEx requirement
- Still managing US liquidity challenges

Note: 5 year cumulative is based on FY06 to FY 10 financials. Ops/Growth consists of CapEx and R&D



Focused on Value Creation

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

FY'10

\$52.9B Revenue

\$3B (5.6%) Operating
Income*

~\$4B CFOps

Key Changes

- Shifting mix
 - ✓ Higher margins
 - ✓ Improved growth rates
 - ✓ More recurring revenues
- Committed to key investments
 - ✓ Organic
 - ✓ Inorganic
- Improving the Value Chain
 - ✓ Client profit-share leader
 - ✓ Additional Cost Savings

Future Dell

5-7% CAGR

7+% Operating
Income

CFOps > Net
Income

FY11 Outlook

Key Metrics	Outlook	Key Drivers
Revenue	Up 14 -19% YoY	▪ Client Strength
Operating Income (Non-GAAP)	Up 18- 23% YoY	▪ Revenue Strength ▪ Commercial Leverage
Cash Flow	CFOps > Net Income	▪ Sustained CCC

Q&A



Igniting Profitable Client Growth

Jeff Clarke

Vice Chairman, Operations and Technology

Erin Nelson

Senior Vice President and CMO

Steve Felice

President, CSMB

Ron Rose

Senior Vice President, Dell.com



Building on Our Strengths

Expanding customer connections, enhancing online leadership

Direct relationships

- **Direct sales** double next 5 competitors combined⁽¹⁾
- 2 billion annual **customer touch points**
- Best **global reach** to small and medium business
- 40% of orders add **in-factory customization**

Product leadership

- Most **award-winning client products**
- The **standard in large corporations** (98% of Fortune 500 buy Dell)
- **Access to profitable adjacencies** in content, software and services

Online leadership

- Unmatched **global reach**: 166 countries, 34 languages
- An industry/ global leader in **social media**
- **1.5B+ Dell.com visits** annually, \$10B+ revenue

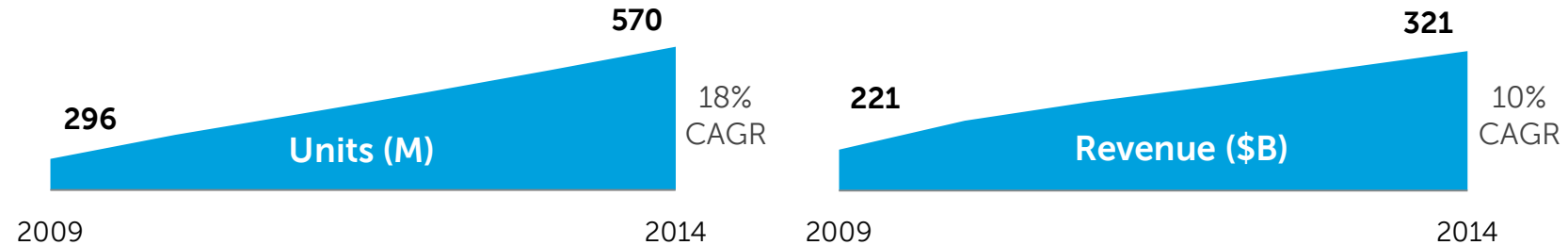
Brand

- **Global consideration leader** for SMBs and large enterprises
- **Heritage as leader** in high performance products
- Strong **brand presence** in fast growing emerging countries

Large and Growing Client Business

Opportunities in adjacent profit pools, addressing challenges

Client industry⁽¹⁾



Opportunities⁽²⁾

- Peripherals
 - Industry: \$177B
 - Profit pool: \$16B
- Software
 - Industry: \$277B
 - Profit pool: \$71B
- Client services
 - Industry: \$146B
 - Profit pool: \$66B

Challenges

- ASPs declining
- Emerging country growth
- High price band share
- Relative cost position

Note: software includes entire industry
Source: (1) IDC, (2) IDC, Dell analysis





Winning in Commercial Clients

Great business with a path to accelerate

Now

Next 12 months

Capitalize on technology refresh

- Windows 7, Office 10, Core i7
- Aging industry install base (~4.5 years)⁽¹⁾
- 100M Dell commercial install base

Expand sales coverage and alliances

- \$10B in alliances
- 60,000 registered global VARs & system integrators, 30% enterprise mix
- Teams in over 60+ countries

Access adjacencies

- Dell serves as “trusted advisor” to businesses
- Opportunities in software, systems management & security

Deliver Client solutions

- End to end virtualization solutions
- Deeper, proactive asset & image management (KACE)
- Security management solutions & services



Winning in Consumer Clients

Healthy profits attainable, a path to success...

Now

Next six months and beyond

Cost & delivery

- Consolidation synergies
- Supply chain transformation
- Product & commodity leverage

Smarter execution

- Deeper collaboration
- Balanced geo expansion
- Grow direct ahead of industry

Intelligent targeting

- Attractive product and customer segments
- Dell.com leadership experience

Additional profit pools

- Software, accessories, and services
- Connected devices
- Higher performance product share

Aligning Value Chain End to End

Competing everywhere

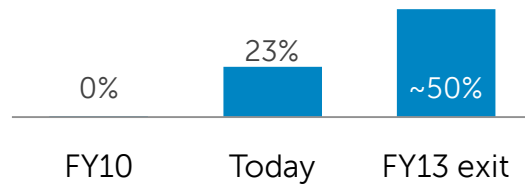
Affordable Popular Configurations For Rapidly Expanding Segments

- Most popular configurations, logically bundled
- Low complexity, low cost
- Competitive prices, shorter lead times
- Industry standard service and support

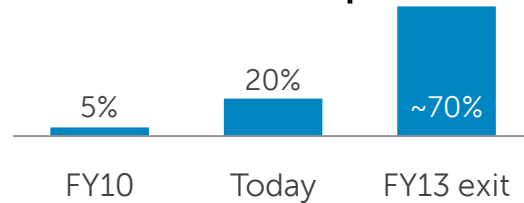
Optimized Configure to Order For individuals or organizations of all sizes

- Smarter customization, latest technology
- Optimized complexity, better value
- Personalization / customization
- "Premium care" service and support

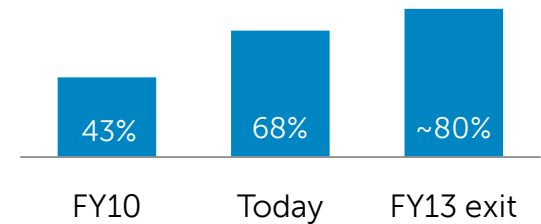
Popular, pre-configured offers



Consumer Notebook Ocean Ship



ODM volume



Delivering Profitable Client Growth

Leveraging competitive assets

Revenue Growth: outperform industry

We're making moves to deliver what matters most to customers

- Great, broad product, peripherals and service portfolio across the Client continuum
- Simplified offerings aligned to customer buying characteristics (>99% fewer configurations)
- Enhanced Online
- 98% next day shipment
- Exactly what you want faster than anyone

Profitability: 5% OpInc

We're making changes to improve our cost competitiveness

- SG&A and PG Opex in alignment to industry benchmarks
- >30% manufacturing cost reduction
- >30% freight cost reduction on notebooks
- 2+% COGS improvement due to commodity leverage and reuse

Q&A



Enterprise Solutions

Steve Schuckenbrock

President, Large Enterprise

Peter Altabef

President, Dell Services

Paul Bell

President, Public

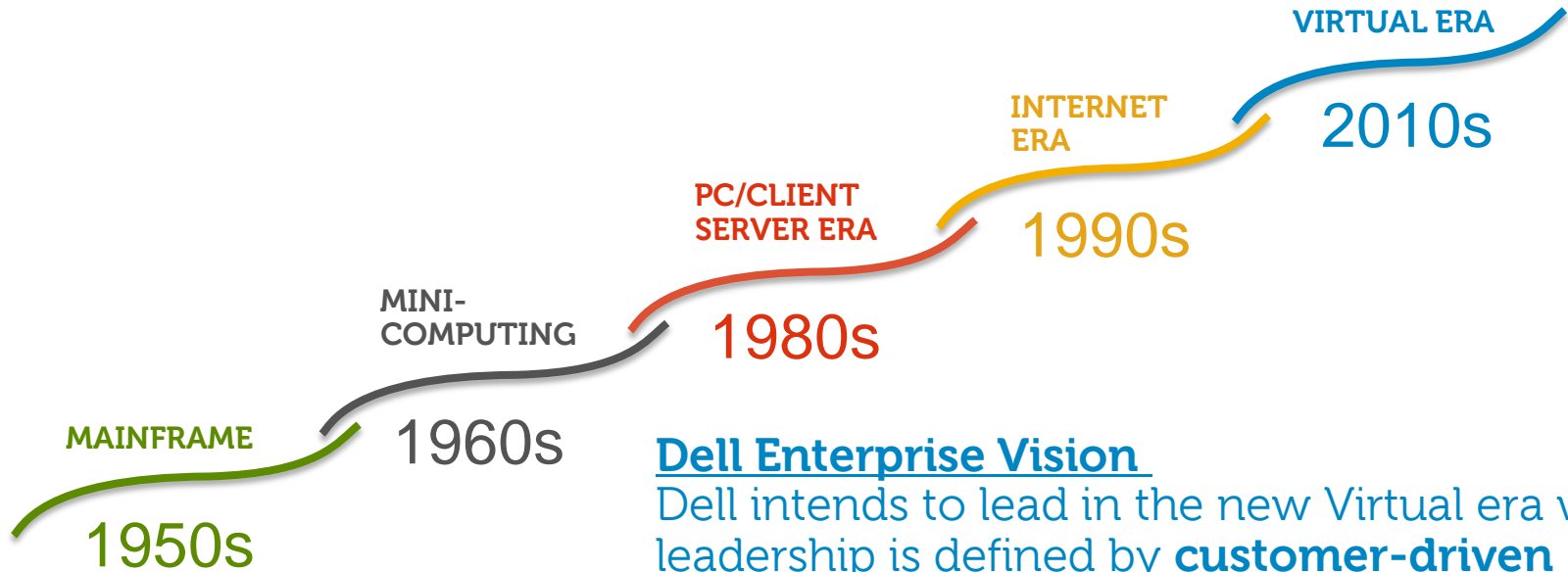
Donna Troy

VP & GM, Enterprise Solutions



Entering The Virtual Era

Technology cycles drive value creation and destruction



Dell Enterprise Vision

Dell intends to lead in the new Virtual era where leadership is defined by **customer-driven solutions that are open, capable and affordable.**

Solutions that unlock Enterprise Efficiency and that are delivered without compromise.

Driving Leadership Across Critical New IT Requirements



#1 CLOUD
INFRASTRUCTURE
PROVIDER

#1

iSCSI
STORAGE
SOLUTION
PROVIDER

\$100M+
SAVED OVER 2 YEARS
WITH VIRTUALIZATION

#1

BLADE IN
PERFORMANCE/
PRICE CATEGORY
IN INFOWORLD'S
2010 "BLADE
SHOOT OUT"

100+
BUSINESS READY CONFIGS
AND REFERENCE ARCHITECTURES

#1

IN HEALTHCARE IT SERVICES

3 OF
THE
TOP **5**

INTERNET SEARCH ENGINES

41K+

SERVICES & IT PROFESSIONALS
(11,000+ Sales Professionals)

4

KEY ACQUISITIONS
EXECUTED WITH
CRITICAL INTEGRATION
CAPABILITY DEVELOPED



A Year of Significant Progress Globally

Sales

- \$175M investment in go-to-market capabilities
- Grew consulting force globally by 250% Y/Y
- Increased sales specialists 50% Y/Y
- Change compensation plans to focus on profitable solutions

Solutions

- \$100M + investment in new solution development
- Hundreds of Business Ready and Reference Architectures
- Tens of thousands of hours of solution training delivered

Marketing

- Increasing solutions pipeline and close rate
- Efficient Enterprise message is resonating
- World-class social media programs and community engagement

Acquisitions & Alliances

- Added 15,000 Equallogic customers since acquisition
- Perot Acquisition – Unprecedented Pipeline of \$6 billion
- Redefined and Launched Alliance Strategy

Building Solutions to Solve Customer Problems

Client Solutions



Win 7

- Significantly reduce migration time (<12 months)
- >\$400K savings per 1,000 PCs by retooling process *

Vertical Solutions



VDI – The Connected Classroom

- Transforming education for the digital age
- Establishing anywhere, anytime learning opportunities
- Promoting critical 21st century skill development

Data Center Solutions



Top 5 Oil & Gas Company

- Inf readiness for app migration of 2K servers in >400 sites
- Global deployment of 100K clients at >1000 sites
- Single global portal to track and manage assets

Focus on Growing Revenue and Margin

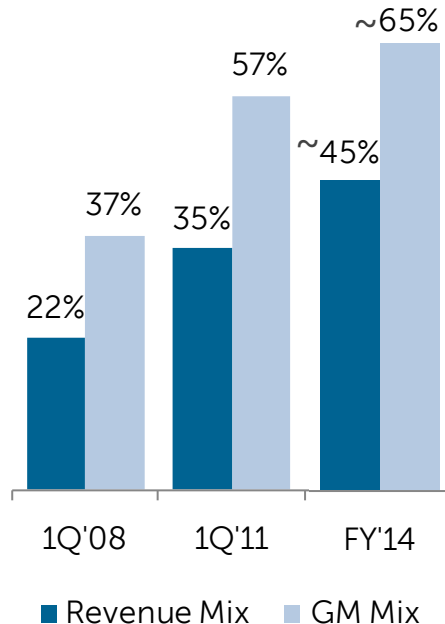
Last 3 years

- Grew enterprise mix by 8pts over past two years
- Increased EQL business 4X
- \$8B global services business

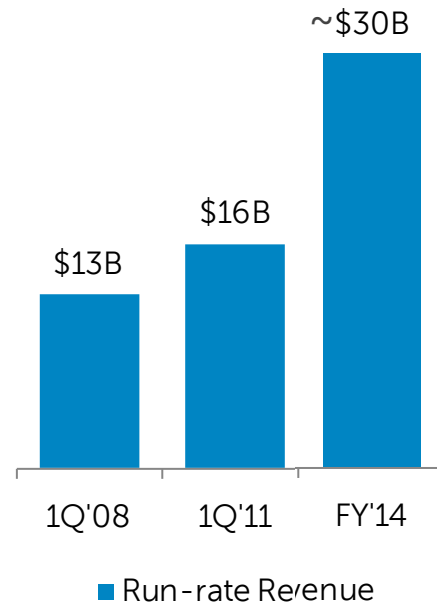
Next 3 years

- Move towards doubling enterprise solutions business
- Significant investments focused on enterprise solutions
- Continue significant shift in resource allocation

Enterprise Solutions Mix**



Enterprise Solutions Revenue**



** Mix and run-rate of server, networking, storage and services revenue in commercial businesses



Customers Have Clear Pain Points

Dell systematically developing answers for virtual era

Drivers

- Flexibility & Agility
- Efficiency (Simplification, TCO, ROI)
- Cloud & Virtualization
- Unabated Storage Growth
- Application & workload consolidation
- Consumerization + Mobility

Needs

Keep it simple

Don't lock me in!

More affordable

Solutions



Intelligent Infrastructure



Simplified Infrastructure Management









Streamlined Application & Workload Mgmt

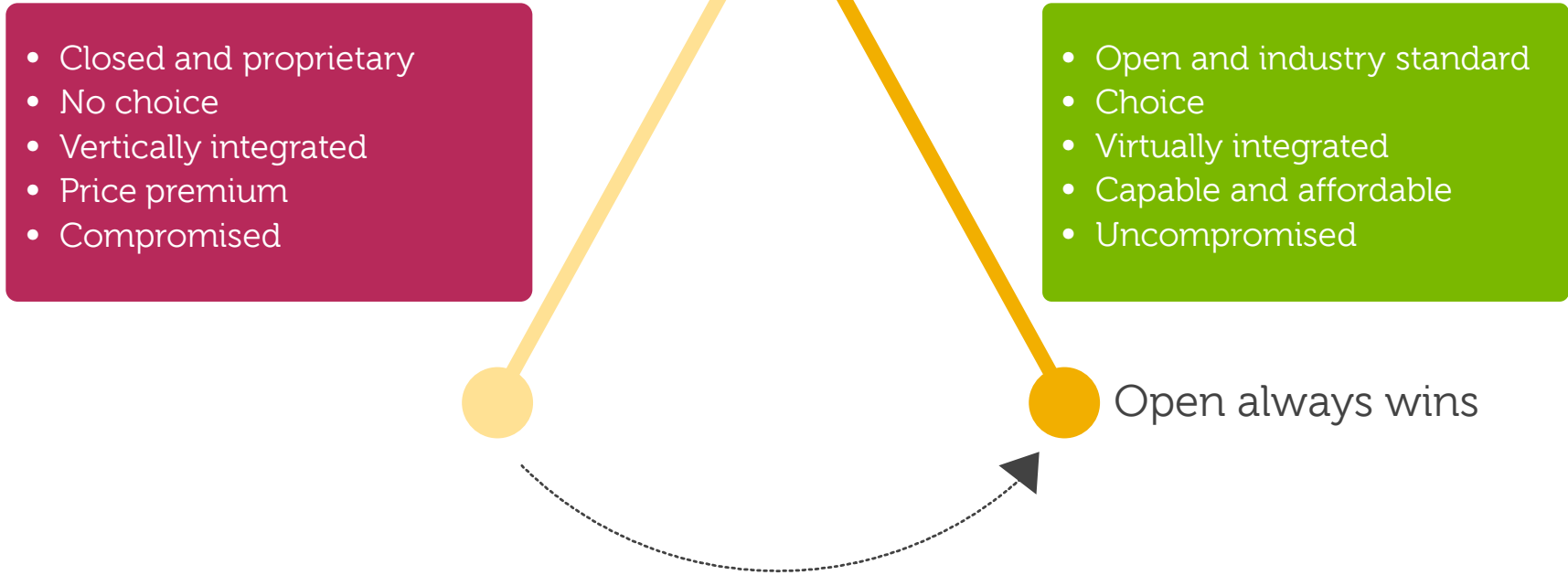


Intelligent Data Management

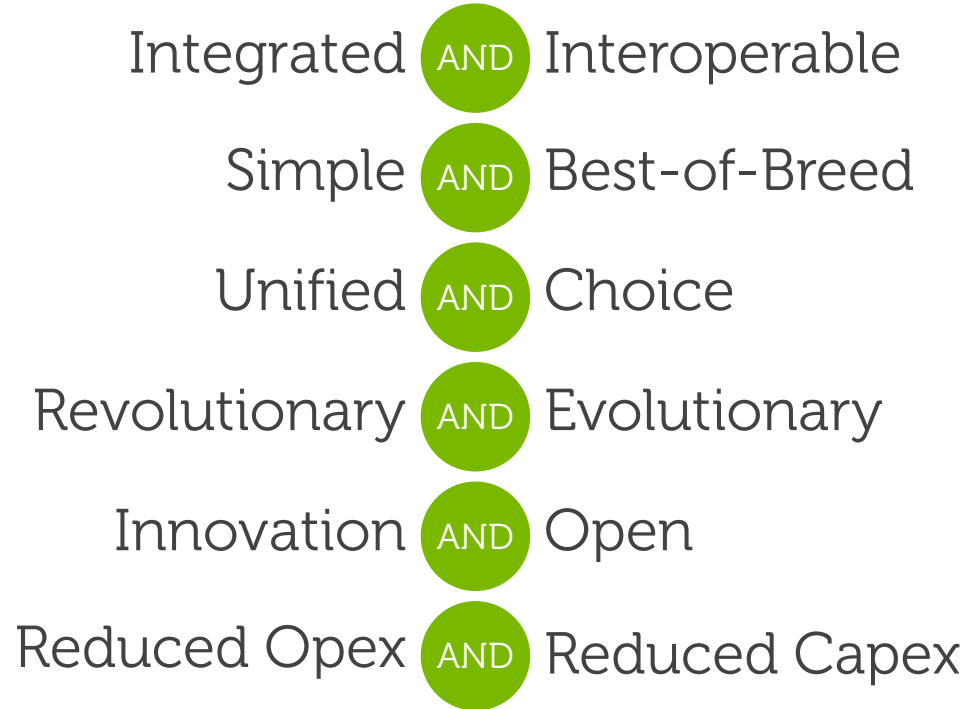
Our Competitors Are Forcing Compromise

Integrated  Interoperable
Simple  Best-of-Breed
Unified  Choice
Revolutionary  Evolutionary
Innovation  Open
Reduced Opex  Reduced Capex

And Compromise Comes At A Price



At Dell We Believe Customers Can Have Efficiency Without Compromise



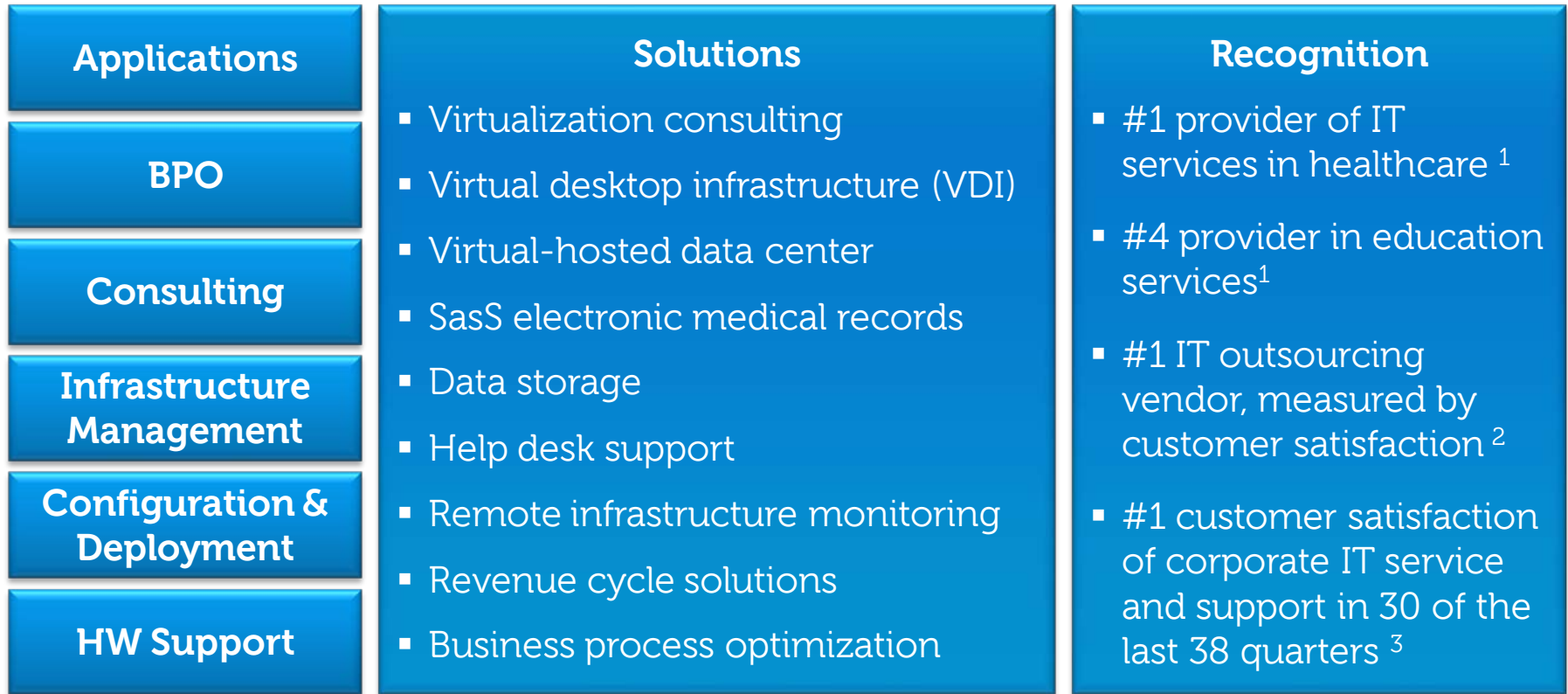
Dell Has Clear Answers



- Leadership from Single Client to Hyper Scale Cloud
- Virtualization Everywhere
- Embedded, Integrated, Simplified Management
- Streamlined Provisioning, Monitoring of Workloads
- Automated, Policy Driven Information Management
- Full Spectrum of flexible Delivery Options
- Self Integration through XaaS

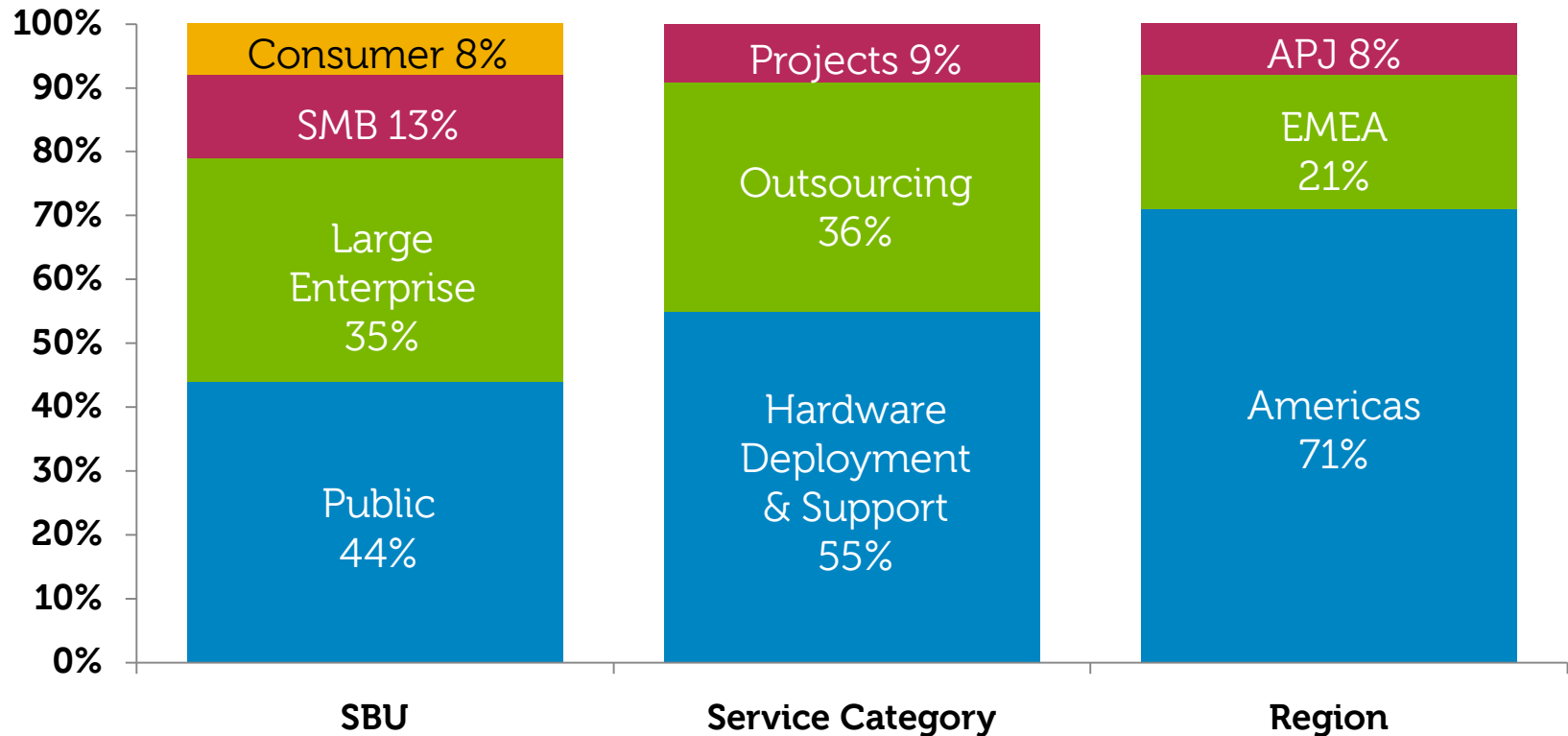
The New Dell Services

Moving from monolithic to modular, highly scalable solutions



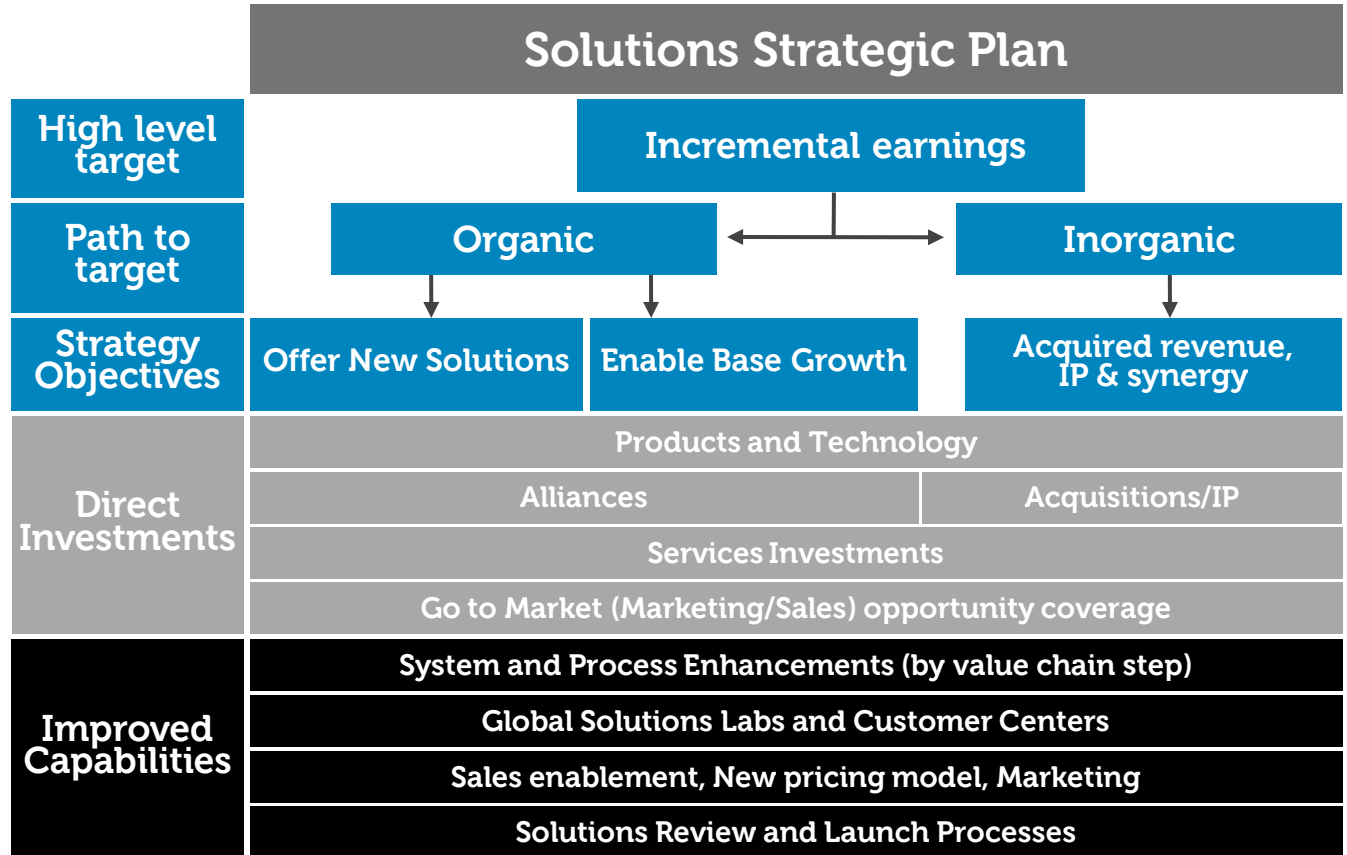
Dell Services Revenue Composition

Diverse \$8B business with multiple growth opportunities



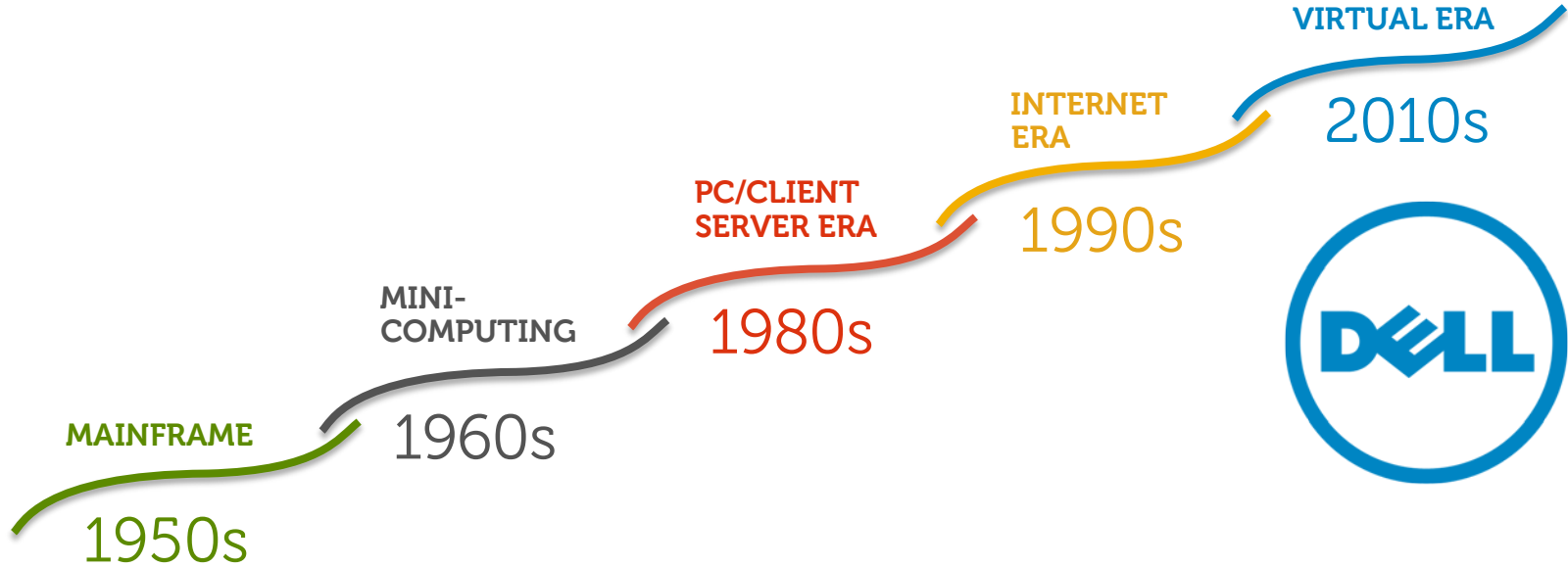
Roadmap to Winning

Strategic plan to drive enterprise operating agenda



Leading The Virtual Era

Technology cycles drive value creation



Q&A



Enterprise Technology

Brad Anderson

SVP, Enterprise Product Group

Chuck Lyles

VP, Public Sector Services

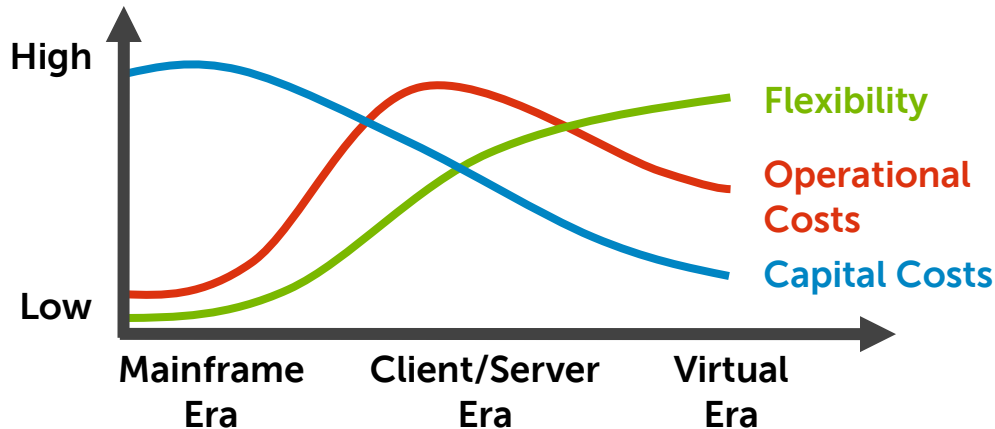
Dave Johnson

SVP, Corporate Strategy



Putting Control back into the Server/Storage Layer

Flatter architectures... flatter organizations... drive down total cost



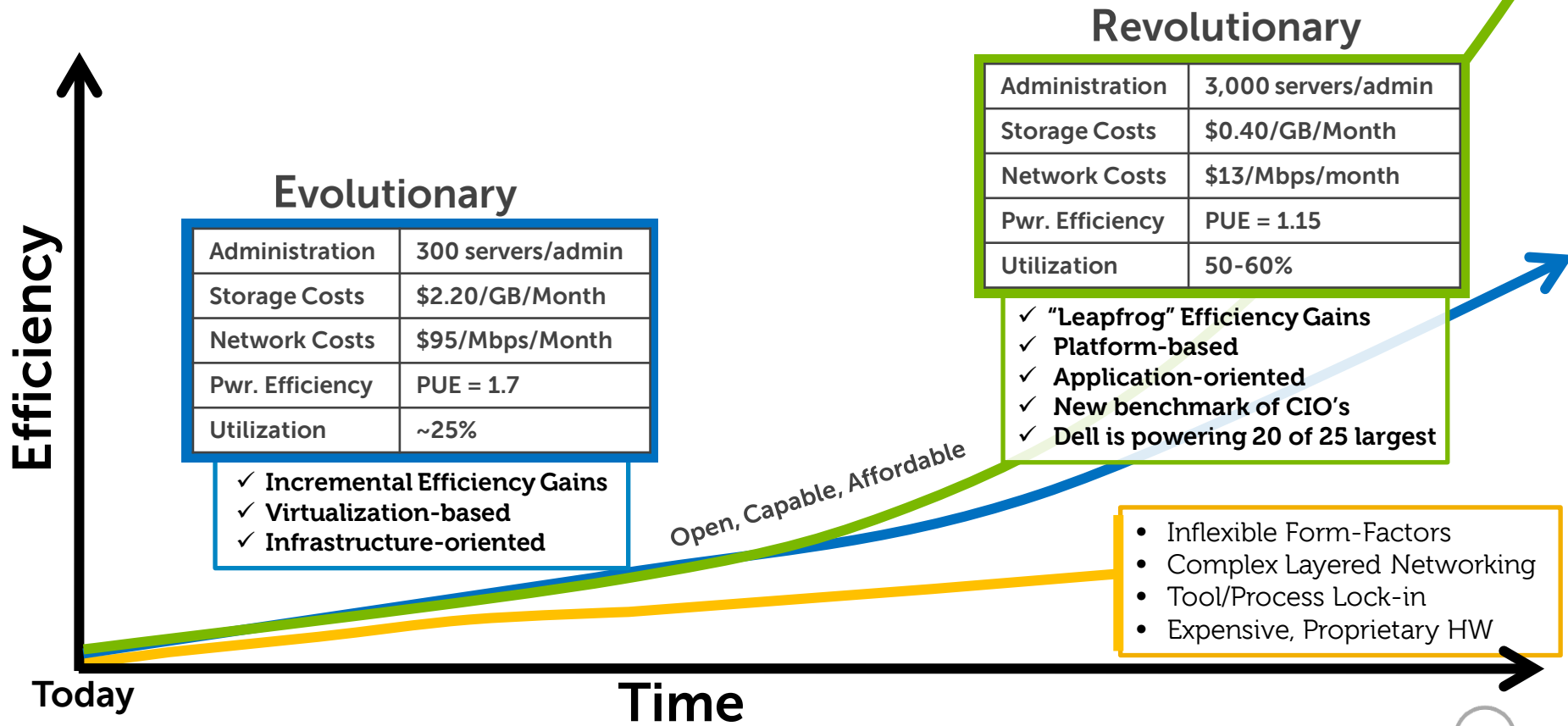
IT Element	Technology Trends underpinning Virtual Era
Servers	↑ compute density, ↑ power efficiency, ↓ lifecycle costs
Storage	↓ size of building blocks, ↑ tiers, ↑ data management
Networking	↓ fabrics, ↑ ease of end-point management
Mgt. Software	↓ consoles, ↑ automation, ↑ operation insight and efficiency
Services	↓ long-term dependencies, ↑ modularity

**Converged
Infrastructure
& Operations**



The Largest Data Centers are Taking a Revolutionary Path

And they are setting a new economic bar for IT efficiency



Providing an On-Ramp to Next Generation Efficiency

Converging IT infrastructure & operations

Management


Open

- **Dell Virtual Integrated Systems**

Capable

- **Advanced Infrastructure Manager**

Affordable

 VS. Competitor A

- 44% less I/O cost
- 42% less total cost

Hypervisor

- Accommodates customers existing infrastructure choices

- Simplified consoles (18 to 6)

Network

- Customer-centric vs. Vendor-centric

- Works for virtual *AND* physical infrastructure

 VS. Competitor B

- 33% less I/O cost
- 34% less total cost

Compute

- Works with all major industry hypervisors

- Reduces tasks to deploy a new workload (34 to 12)

Storage

- Works on blades, racks and towers

- Efficiency at customers pace

Covering all the Hilltops

Leading from single server to hyper-scale and cloud

Small Business

Remote & Branch Offices

Small Datacenters

Medium to Large Datacenters

Hyper-scale & Cloud Datacenters



Entry 1S SMB 1S & 2S Scalable 2S

Tower Servers



Dense 2S to Scalable 4S Blade+ Expansion Modular Servers

Blade Servers



Entry 1S

SMB 1S & 2S (1U & 2U)

Highly Scalable 4S

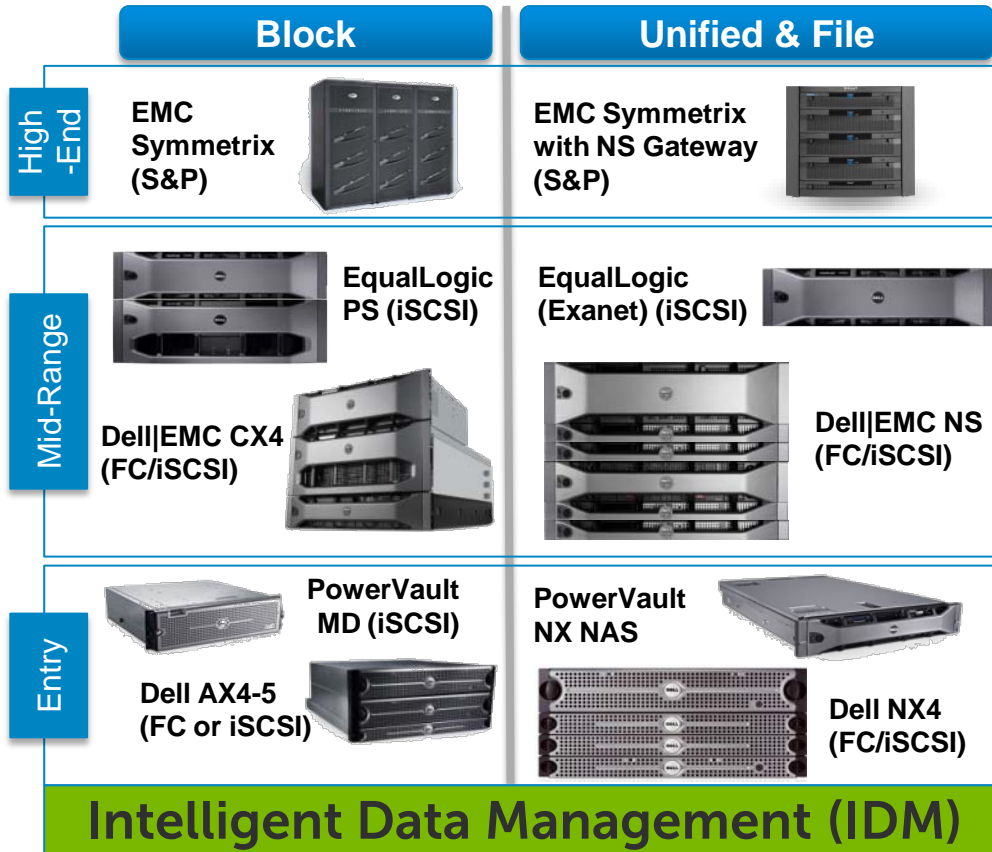
Cloud Optimized

Rack Servers

- 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

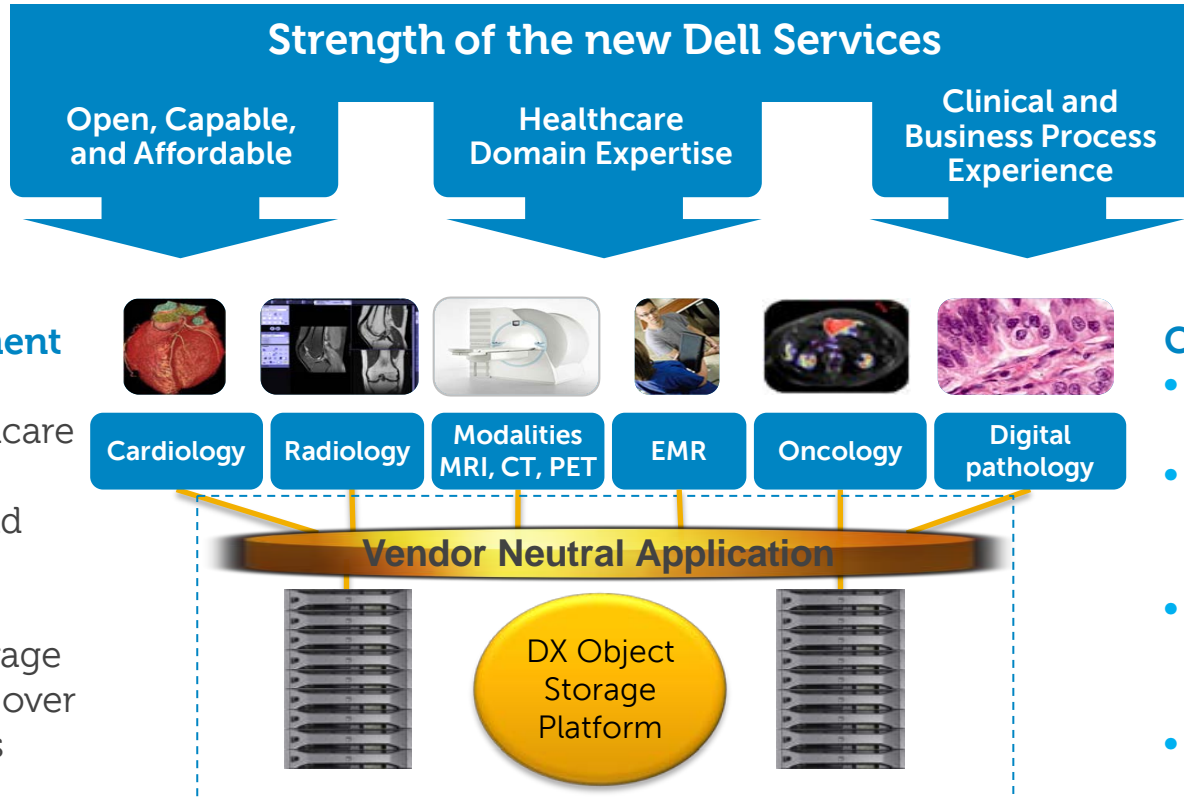


- Have innovative products at every storage tier
- Work with EMC for fiber channel, high end storage and data deduplication
- Leadership in fast growing segments (iSCSI and <\$100k price band)
- Working on common architecture for SAN and Unified Storage for block and file systems (EqualLogic/Exanet)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



Extending our Solutions Portfolio with New Dell Services

Scalable medical archiving solution built on domain expertise



Customer Benefits

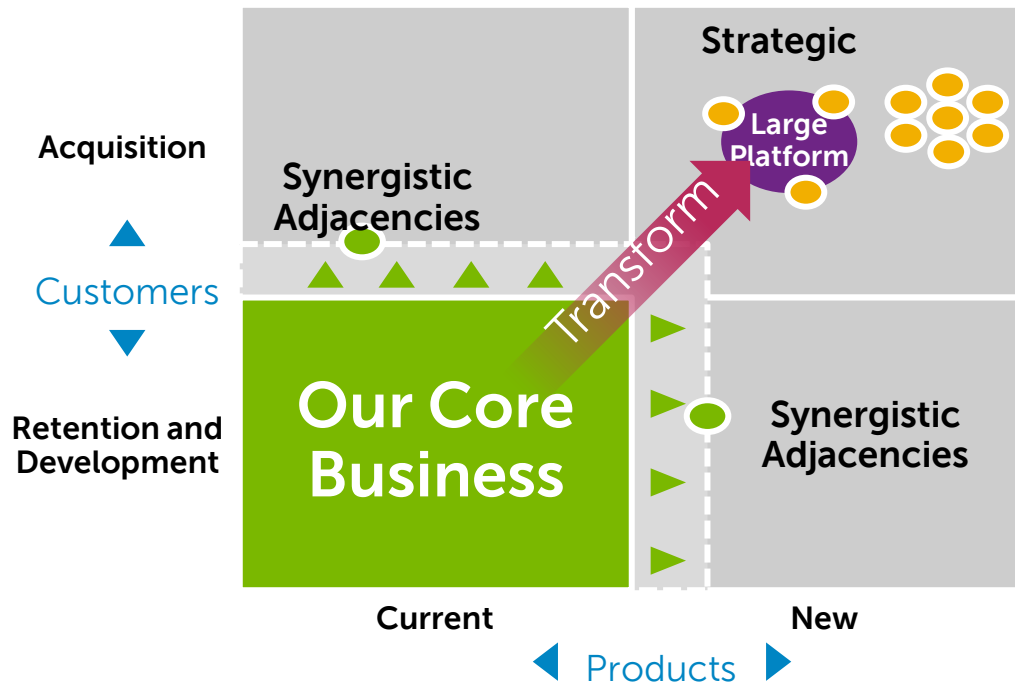
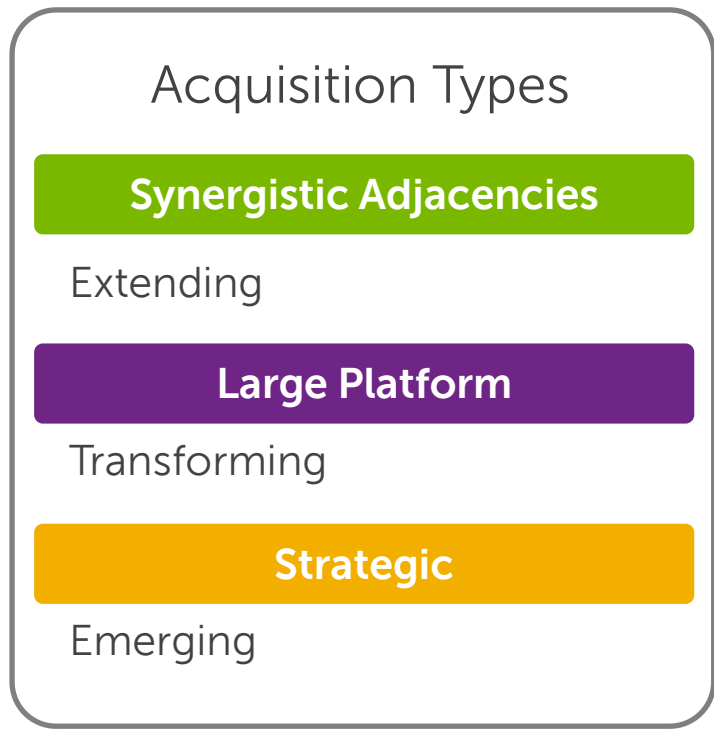
- Assurance of HIPAA compliance
- Scalability to meet current and future reg requirements
- Seamlessly links business office and clinical functions
- Reduced TCO

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

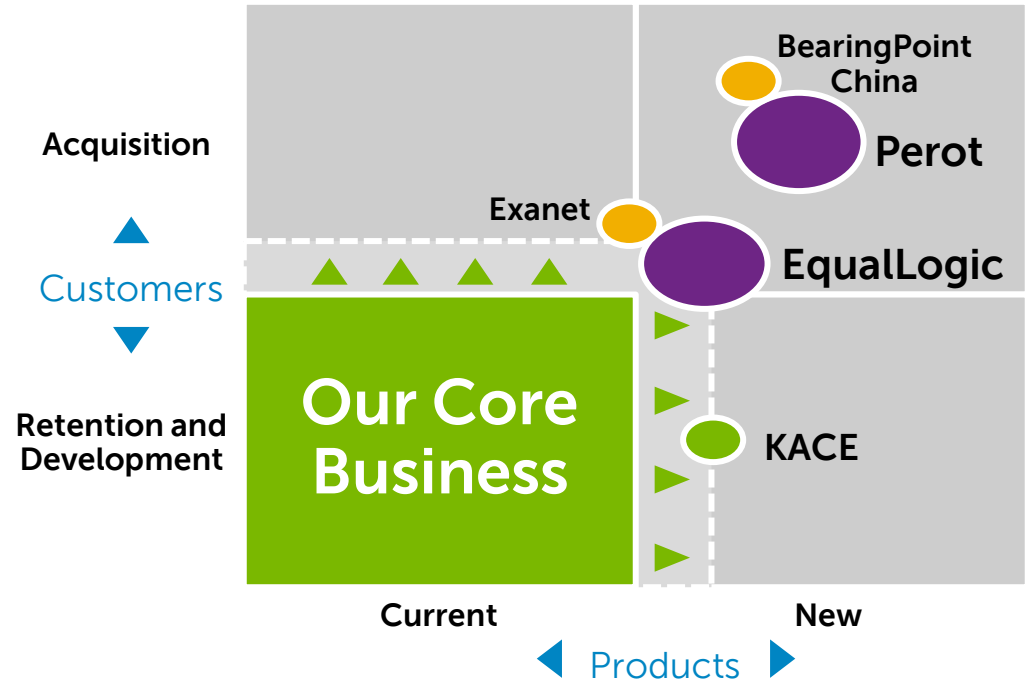
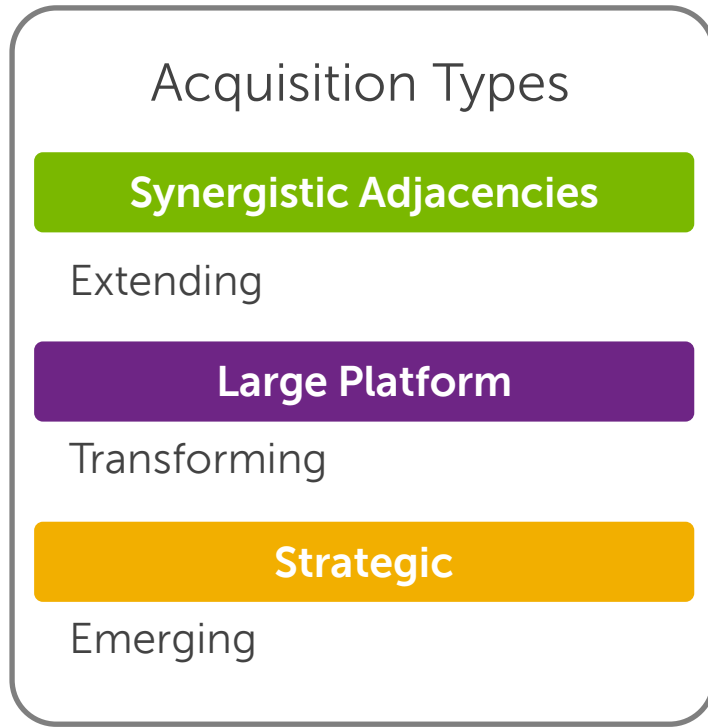
Making Investments to Shape Enterprise Solutions Portfolio

Extending our core capabilities and transforming our solutions mix over time



Making Investments to Shape Enterprise Solutions Portfolio

Extending our core capabilities and transforming our solutions mix over time



Stronger Together

Dell Services wins opportunities not available before

Children's Health Care System

- 5 year deal
- Revenue Cycle and Process Transformation Services to build new billing capability
- Long-time Dell client for hardware & infrastructure

Large Investment Services Firm

- 3 year deal
- Formerly a Perot Systems customer
- Customer replaced HP equipment with new Dell equipment ahead of refresh cycle
- Long time HP hardware environment

Global Private Equity Firm

- 5 year deal
- End-to-End Solution with ERP Hosting and Maintenance
- Customer stated they would not have signed had it not been for the combination of companies

Multi-State Health System

- 5 year deal
- Long-time Dell client for Managed Services
- Data Center Outsourcing Solution

Q&A



Q&A Session

Michael Dell
Chairman and CEO

Brian Gladden
SVP and CFO



Q&A



Supplemental Non-GAAP Measures

	Actual	Q1'11
<u>GAAP operating expenses</u>		1,997
<u>Non-GAAP adjustments:</u>		
Amortization of intangibles		(20)
Severance and facility actions		(28)
Acquisition-related		(19)
Other		(140)
<u>Non-GAAP operating expenses</u>		1,790
<u>GAAP operating income</u>		519
<u>Non-GAAP adjustments:</u>		
Amortization of intangibles		88
Severance and facility actions		57
Acquisition-related		20
Other		140
<u>Non-GAAP operating income</u>		824
Percentage of Total Net Revenue:		
<u>GAAP operating expenses</u>		13.4%
Non-GAAP adjustment		-1.4%
<u>Non-GAAP operating expenses</u>		12.0%
<u>GAAP operating income</u>		3.5%
Non-GAAP adjustment		2.0%
<u>Non-GAAP operating income</u>		5.5%