

DELL INC.

Condensed Consolidated Statement of Financial Position

(in millions)

(unaudited)

	Prior Quarter Results					Prior Annual Results (As Restated)			
	Q4-FY10	Q1-FY11	Q2-FY11	Q3-FY11	Q4-FY11	FY08	FY09	FY10	FY11
Assets:									
Cash & cash equivalents	\$ 10,635	\$ 10,255	\$ 11,694	\$ 12,889	\$ 13,913	\$ 7,764	\$ 8,352	\$ 10,635	\$ 13,913
Short-term investments	373	627	744	492	452	208	740	373	452
Accounts receivable, net	5,837	5,880	6,565	6,407	6,493	5,961	4,731	5,837	6,493
Financing receivables, net	2,706	3,221	3,272	3,588	3,643	1,732	1,712	2,706	3,643
Inventories, net	1,051	1,182	1,372	1,294	1,301	1,180	867	1,051	1,301
Other	3,643	3,619	3,562	3,118	3,219	3,035	3,749	3,643	3,219
Total current assets	24,245	24,784	27,209	27,788	29,021	19,880	20,151	24,245	29,021
PP&E, net	2,181	2,049	1,980	1,948	1,953	2,668	2,277	2,181	1,953
Investments	781	714	633	662	704	1,560	454	781	704
Long-term financing receivable, net	332	528	622	709	799	407	500	332	799
Other non-current assets	6,113	6,166	6,196	6,047	6,122	3,046	3,118	6,113	6,122
Total assets:	33,652	34,241	36,640	37,154	38,599	27,561	26,500	33,652	38,599
Liabilities & Stockholders Equity:									
Short-term borrowings	663	1,079	1,627	826	851	225	113	663	851
Accounts payable	11,373	11,402	12,465	11,278	11,293	11,492	8,309	11,373	11,293
Accrued and other	3,884	3,549	3,812	3,898	4,181	4,323	3,736	3,884	4,181
Short-term deferred services revenue	3,040	2,950	3,009	3,093	3,158	2,486	2,701	3,040	3,158
Total current liabilities	18,960	18,980	20,913	19,095	19,483	18,526	14,859	18,960	19,483
Long-term debt	3,417	3,582	3,623	5,168	5,146	362	1,898	3,417	5,146
Other non-current liabilities	2,605	2,607	2,632	2,631	2,686	2,070	2,472	2,605	2,686
Long-term deferred services revenue	3,029	3,194	3,311	3,447	3,518	2,774	3,000	3,029	3,518
Total liabilities:	28,011	28,363	30,479	30,341	30,833	23,732	22,229	28,011	30,833
Redeemable common stock and capital in excess of par	-	-	-	-	-	94	-	-	-
Stockholder's equity:	5,641	5,878	6,161	6,813	7,766	3,735	4,271	5,641	7,766
Total liabilities & equity:	33,652	34,241	36,640	37,154	38,599	27,561	26,500	33,652	38,599

DELL INC.

Condensed Consolidated Statement of Cash Flows

(in millions)
(unaudited)

Cash flows from operating activities:

Net income:
Adjustments to reconcile net income to net cash provided by operating activities:
 Depreciation and amortization
 Stock-based compensation
 Effects of exchange rate changes on monetary assets and liabilities denominated in foreign currencies
 Provision for doubtful accounts - including financing receivables
 Other
Changes in assets and liabilities, net of effects from acquisitions:
 Accounts receivable
 Financing receivables
 Inventories
 Other assets
 Accounts payable
 Deferred services revenue
 Accrued and other liabilities

Change in cash from operating activities:

Cash flows from investing activities:

Investments:
 Purchases
 Maturities and sales
Capital expenditures
Proceeds from sale of facility and land
Purchase of financing receivables
Collections on purchased financing receivables
Acquisition of business, net of cash received

Change in cash from investing activities:

Cash flows from financing activities:

Repurchase of common stock
Issuance of common stock under employee plans
Issuance (repayment) of commercial paper (maturity of 90 days or less), net
Proceeds from debt
Repayments of debt
Other

Change in cash from financing activities:

Effect of exchange rate changes on cash and cash equivalents

Change in cash and cash equivalents:

Cash and cash equivalents at beginning of period:

Cash and cash equivalents at end of period:

	Prior Quarter Results				
	Q4-FY10 ¹	Q1-FY11	Q2-FY11	Q3-FY11	Q4-FY11
	\$ 334	\$ 341	\$ 545	\$ 822	\$ 927
	259	247	264	234	225
	101	76	80	69	107
	1	30	7	(14)	(27)
	139	122	95	82	83
	63	(31)	(20)	20	12
	(204)	(119)	(777)	308	(119)
	(529)	(208)	(205)	(46)	(250)
	(100)	(132)	(186)	77	(7)
	(318)	69	(33)	707	(227)
	1,282	22	1,109	(1,306)	24
	101	72	193	137	149
	139	(251)	263	(177)	586
	1,268	238	1,335	913	1,483
	(201)	(350)	(713)	(123)	(174)
	231	169	669	346	174
	(118)	(46)	(145)	(93)	(160)
	-	-	18	-	-
	-	-	-	(430)	-
	-	-	-	20	49
	(3,610)	(133)	(89)	(24)	(130)
	(3,698)	(360)	(260)	(304)	(241)
	-	(200)	(200)	(200)	(200)
	2	7	2	2	1
	33	234	490	(900)	-
	310	268	341	1,945	515
	(60)	(566)	(253)	(296)	(515)
	(2)	3	(1)	-	-
	283	(254)	379	551	(199)
	(13)	(4)	(15)	35	(19)
	(2,160)	(380)	1,439	1,195	1,024
	12,795	10,635	10,255	11,694	12,889
	10,635	10,255	11,694	12,889	13,913

Prior Annual Results (As Restated)		
FY09	FY10 ¹	FY11
\$ 2,478	\$ 1,433	\$ 2,635
769	852	970
418	312	332
(115)	59	(4)
310	429	382
120	50	(19)
480	(660)	(707)
(302)	(1,085)	(709)
309	(183)	(248)
(106)	(225)	516
(3,117)	2,833	(151)
663	135	551
(13)	(44)	421
1,894	3,906	3,969
(1,584)	(1,383)	(1,360)
2,333	1,538	1,358
(440)	(367)	(444)
44	16	18
-	-	(430)
-	-	69
(176)	(3,613)	(376)
177	(3,809)	(1,165)
(2,867)	-	(800)
79	2	12
100	76	(176)
1,519	2,058	3,069
(237)	(122)	(1,630)
-	(2)	2
(1,406)	2,012	477
(77)	174	(3)
588	2,283	3,278
7,764	8,352	10,635
8,352	10,635	13,913

1. Prior period amounts have been reclassified to conform to the current year presentation.

DELL INC.
Selected Financial Data & Ratios

(in millions, except per share data and ratios)
(Unaudited)

	Prior Quarter Results					FY08 ⁵ FY09 FY10 FY11			
	Q4-FY10	Q1-FY11	Q2-FY11	Q3-FY11	Q4-FY11				
Liquidity:									
Current ratio	1.28	1.31	1.30	1.46	1.49	1.10	1.36	1.28	1.49
Quick ratio	1.22	1.24	1.24	1.39	1.42	1.03	1.30	1.22	1.42
Cash conversion cycle^d	(36)	(36)	(36)	(32)	(33)	(36)	(25)	(36)	(33)
Days supply in inventory	8	9	10	9	9	8	7	8	9
Days of sales outstanding ^a	38	38	41	41	40	36	35	38	40
Days in accounts payable	82	83	87	82	82	80	67	82	82
Cash flow (millions):									
Cash flow from operations	\$ 1,268	\$ 238	\$ 1,335	\$ 913	\$ 1,483	\$3,949	\$1,894	\$3,906	\$3,969
Net free cash flows ^b	\$ 1,679	\$ 400	\$ 1,395	\$ 866	\$ 1,573	\$3,512	\$1,756	\$4,624	\$4,234
Cash and investments	\$11,789	\$11,596	\$13,071	\$14,043	\$15,069	\$9,532	\$9,546	\$11,789	\$15,069
Shares repurchased (millions)	-	12	14	16	15	179	133	-	57
Profitability:									
Return on total capital^c	14%	13%	19%	27%	25%	38%	33%	17%	21%
Gross margin	16.6%	16.9%	16.6%	19.5%	21.0%	19.1%	17.9%	17.5%	18.5%
Opex as percentage of revenue	13.2%	13.4%	11.8%	12.8%	13.7%	13.5%	12.7%	13.4%	12.9%
Operating margin	3.4%	3.5%	4.8%	6.7%	7.3%	5.6%	5.2%	4.1%	5.6%
Income tax rate	28.7%	24.4%	21.7%	23.6%	17.8%	23.0%	25.4%	29.2%	21.3%
Net profit margin	2.2%	2.3%	3.5%	5.3%	5.9%	4.8%	4.1%	2.7%	4.3%
WAS -- Diluted	1,971	1,973	1,960	1,949	1,938	2,247	1,986	1,962	1,955
EPS (diluted)	\$ 0.17	\$ 0.17	\$ 0.28	\$ 0.42	\$ 0.48	\$1.31	\$1.25	\$0.73	\$1.35
Growth:									
Units Y/Y	16%	20%	16%	11%	3%	5%	7%	-6%	12%
Revenue Y/Y:	11%	21%	22%	19%	5%	6%	0%	-13%	16%
Global Large Enterprise	8%	25%	38%	27%	12%				
Global Public	16%	22%	21%	20%	4%				
Global Small and Medium Business	10%	19%	25%	24%	12%				
Global Consumer	11%	16%	0%	4%	-8%				
% of Total Revenue by Business Unit:									
Global Large Enterprise	28%	28%	29%	28%	30%		30%	27%	29%
Global Public	26%	26%	30%	29%	25%		25%	27%	27%
Global Small and Medium Business	22%	24%	23%	24%	24%		24%	23%	24%
Global Consumer	24%	22%	18%	19%	21%		21%	23%	20%
% of Total Revenue by Product:									
Servers and Networking	12%	12%	12%	12%	13%	11%	11%	11%	12%
Storage	4%	4%	4%	3%	4%	4%	4%	4%	4%
Services	13%	13%	12%	12%	12%	9%	9%	11%	12%
Software & Peripherals	17%	17%	17%	17%	17%	16%	17%	18%	17%
Mobility	31%	30%	30%	32%	31%	28%	30%	31%	31%
Desktop PCs	23%	24%	25%	24%	23%	32%	29%	25%	24%
EPS Y/Y (diluted)	-6%	47%	17%	147%		15%	-5%	-42%	85%
FY11 CAGR^{1,2,4}			1-YR	2-YR	5-YR				
Revenue			16%	0%	2%				
Gross Margin			23%	2%	3%				
Operating Expenses			12%	1%	8%				
Operating Income			58%	4%	-5%				
Net Income			84%	3%	-6%				
EPS (Diluted)			85%	4%	-2%				

¹ Profitability and growth metrics include the impact of \$85 million (\$0.03 per share) income tax benefit related to a revised estimate of taxes on the repatriation of earnings under the American Jobs Creation Act of 2004.

² Fiscal Year 2006 includes charges aggregating \$421 million (\$338 million other product charges and \$83 million in selling, general and administrative expenses) related to the cost of servicing or replacing certain OptiPlex™ systems that include a vendor part that failed to perform to Dell's specifications, workforce realignment, product rationalizations, excess facilities, and a write-off of goodwill recognized in the third quarter. The related tax effects of these items was \$85 million.

³ Results for fiscal year ended February 2, 2007 (including the interim periods within that year) and the fiscal year 2008 quarters include stock-based compensation expense due to the implementation of ASC 718 Compensation - Stock Compensation. Dell implemented ASC 718 using the modified prospective method effective February 4, 2006.

⁴ Dell restated its financial statements relating to fiscal 2003, 2004, 2005 and 2006 (including the interim periods within those years) and the first quarter of fiscal 2007. Dell's restated financial information is in its Annual Report on Form 10-K for the fiscal year ended February 2, 2007 available via the Internet at www.sec.gov or www.dell.com/investor.

^a DSO includes the effect of product costs related to in-transit customer shipments that are classified in other current assets.

^b Free cash flows: Cash flows from operations less capital expenditures less tax benefit from employee stock plans plus on balance-sheet funding

^c Return on total capital is an annualized calculation of pre-tax earnings and interest expense over the quarter's average of long-term liabilities and stockholders' equity.

^d Results for fiscal year end are based on the 4th quarter of the same year and not for the full fiscal year.

Note: Percentage growth rates and ratios are calculated based on underlying data in thousands and rounded per share data.

DELL INC.

Condensed Consolidated Statement of Operations
(in millions)
(unaudited)

Income Statement:

	Prior Quarter Results				
	Q4-FY10	Q1-FY11	Q2-FY11	Q3-FY11	Q4-FY11
Net revenue	\$ 14,900	\$ 14,874	\$ 15,534	\$ 15,394	\$ 15,692
<i>Sequential Growth</i>	16%	0%	4%	-1%	2%
<i>Y/Y Growth</i>	11%	21%	22%	19%	5%
Cost of revenue	12,431	12,358	12,948	12,391	12,401
Gross margin	2,469	2,516	2,586	3,003	3,291
SG&A	1,780	1,830	1,679	1,816	1,977
R&D	179	167	162	163	169
Total operating expenses	1,959	1,997	1,841	1,979	2,146
Operating income	510	519	745	1,024	1,145
Investment and other income, net	(41)	(68)	(49)	52	(18)
Income before taxes	469	451	696	1,076	1,127
Income tax provision	135	110	151	254	200
Net income	334	341	545	822	927
<i>Sequential Growth</i>	-1%	2%	60%	51%	13%
<i>Y/Y Growth</i>	-5%	18%	16%	144%	177%

EPS:

Basic	\$ 0.17	\$ 0.17	\$ 0.28	\$ 0.42	\$ 0.48
Diluted	\$ 0.17	\$ 0.17	\$ 0.28	\$ 0.42	\$ 0.48

Weighted Average Shares Outstanding:

Basic	1,957	1,961	1,952	1,939	1,924
Diluted	1,971	1,973	1,960	1,949	1,938

Percentage of Net Revenue:

Gross margin	16.6%	16.9%	16.6%	19.5%	21.0%
Selling, general and administrative	12.0%	12.3%	10.8%	11.8%	12.6%
Research, development and engineering	1.2%	1.1%	1.0%	1.0%	1.1%
Total operating expenses	13.2%	13.4%	11.8%	12.8%	13.7%
Operating income	3.4%	3.5%	4.8%	6.7%	7.3%
Income before income taxes	3.2%	3.0%	4.5%	7.0%	7.2%
Net income	2.2%	2.3%	3.5%	5.3%	5.9%
Income tax rate	28.7%	24.4%	21.7%	23.6%	17.8%

Revenues by Business Unit:

	14,900	14,874	15,534	15,394	15,692
Global Large Enterprise	4,197	4,246	4,549	4,326	4,692
Global Public	3,820	3,856	4,580	4,442	3,973
Global Small and Medium Business	3,336	3,524	3,535	3,665	3,749
Global Consumer	3,547	3,248	2,870	2,961	3,278

Operating income by Business Unit:

	905	911	959	1,242	1,387
Global Large Enterprise	281	283	288	400	502
Global Public	333	298	369	451	366
Global Small and Medium Business	282	313	323	391	450
Global Consumer	9	17	(21)	-	69

Revenues by product:

	14,900	14,874	15,534	15,394	15,692
Servers and Networking	1,804	1,785	1,890	1,844	2,090
Storage	599	554	624	543	574
Services	1,922	1,891	1,915	1,924	1,943
Software & Peripherals	2,477	2,496	2,535	2,579	2,651
Mobility	4,653	4,563	4,700	4,858	4,850
Desktop PCs	3,445	3,585	3,870	3,646	3,584

Prior Annual Results (As Restated)			
FY08 ¹	FY09	FY10	FY11
\$ 61,133	\$ 61,101	\$ 52,902	\$ 61,494
6%	0%	-13%	16%
49,462	50,144	43,641	50,098
11,671	10,957	9,261	11,396
7,538	7,102	6,465	7,302
693	665	624	661
3,440	3,190	2,172	3,433
387	134	(148)	(83)
3,827	3,324	2,024	3,350
880	846	591	715
2,947	2,478	1,433	2,635
14%	-16%	-42%	84%

\$ 1.33	\$ 1.25	\$ 0.73	\$ 1.36
\$ 1.31	\$ 1.25	\$ 0.73	\$ 1.35

2,223	1,980	1,954	1,944
2,247	1,986	1,962	1,955

19.1%	17.9%	17.5%	18.5%
12.4%	11.6%	12.2%	11.9%
1.1%	1.1%	1.2%	1.0%
13.5%	12.7%	13.4%	12.9%
5.6%	5.2%	4.1%	5.6%
6.3%	5.4%	3.8%	5.4%
4.8%	4.1%	2.7%	4.3%
23.0%	25.4%	29.2%	21.3%

	61,133	61,101	52,902	61,494
		18,011	14,285	17,813
		15,338	14,484	16,851
		14,892	12,079	14,473
		12,860	12,054	12,357

	3,995	3,327	4,499
	1,158	819	1,473
	1,258	1,361	1,484
	1,273	1,040	1,477
	306	107	65

	61,133	61,101	52,902	61,494
		6,512	6,032	7,609
		2,666	2,192	2,295
		5,352	5,622	7,673
		10,603	9,499	10,261
		18,604	16,610	18,971
		17,364	12,947	14,685

¹ Results for fiscal year ended February 2, 2007 (including the interim periods within that year) and the fiscal year 2008 quarters include stock-based compensation expense due to the implementation of ASC 718 Compensation - Stock Compensation. Dell implemented ASC 718 using the modified prospective method effective February 4, 2006.

Note: Percentage growth rates and ratios are calculated based on underlying data in thousands and rounded per share data.

DELL INC.

*Reconciliation of Non-GAAP Financial Measures
(in millions, except per share data and percentages)
(unaudited)*

	Prior Quarter Results					Prior Annual Results		
	Q4-FY10	Q1-FY11	Q2-FY11	Q3-FY11	Q4-FY11	FY09	FY10	FY11
GAAP gross margin	\$ 2,469	\$ 2,516	\$ 2,586	\$ 3,003	\$ 3,291	\$ 10,957	\$ 9,261	\$ 11,396
Non-GAAP adjustments:								
Amortization of intangibles	71	68	70	71	69	59	151	278
Severance and facility actions	55	29	14	4	6	146	236	53
Acquisition-related	1	1	1	-	2	-	1	4
Other ⁽¹⁾	-	-	-	-	-	-	-	-
Stock option accelerated vesting charges	-	-	-	-	-	16	-	-
Non-GAAP gross margin	2,596	2,614	2,671	3,078	3,368	11,178	9,649	11,731
GAAP operating expenses	1,959	1,997	1,841	1,979	2,146	7,767	7,089	7,963
Non-GAAP adjustments:								
Amortization of intangibles	(15)	(20)	(17)	(18)	(16)	(46)	(54)	(71)
Severance and facility actions	(31)	(28)	(10)	(27)	(11)	(136)	(245)	(76)
Acquisition-related	(115)	(19)	(15)	(23)	(37)	-	(115)	(94)
Other ⁽¹⁾	-	(140)	-	-	-	-	-	(140)
Stock option accelerated vesting charges	-	-	-	-	-	(88)	-	-
Non-GAAP operating expenses	1,798	1,790	1,799	1,911	2,082	7,497	6,675	7,582
GAAP operating income	510	519	745	1,024	1,145	3,190	2,172	3,433
Non-GAAP adjustments:								
Amortization of intangibles	86	88	87	89	85	105	205	349
Severance and facility actions	86	57	24	31	17	282	481	129
Acquisition-related	116	20	16	23	39	-	116	98
Other ⁽¹⁾	-	140	-	-	-	-	-	140
Stock option accelerated vesting charges	-	-	-	-	-	104	-	-
Non-GAAP operating income	798	824	872	1,167	1,286	3,681	2,974	4,149
GAAP net income	334	341	545	822	927	2,478	1,433	2,635
GAAP earnings per common share - diluted	\$ 0.17	\$ 0.17	\$ 0.28	\$ 0.42	\$ 0.48	\$ 1.25	\$ 0.73	\$ 1.35
Non-GAAP adjustments:								
Amortization of intangibles	86	88	87	89	85	105	205	349
Severance and facility actions	86	57	24	31	17	282	481	129
Acquisition-related	116	20	16	23	39	-	116	98
Other ⁽¹⁾	-	140	-	(72)	-	-	-	68
Stock option accelerated vesting charges	-	-	-	-	-	104	-	-
Aggregate adjustment for income taxes	(78)	(62)	(43)	(18)	(50)	(117)	(181)	(173)
Non-GAAP adjustments per common share - diluted	\$ 0.11	\$ 0.13	\$ 0.04	\$ 0.03	\$ 0.05	\$ 0.19	\$ 0.32	\$ 0.24
Non-GAAP net income	544	584	629	875	1,018	2,852	2,054	3,106
Non-GAAP earnings per common share - diluted	\$ 0.28	\$ 0.30	\$ 0.32	\$ 0.45	\$ 0.53	\$ 1.44	\$ 1.05	\$ 1.59
GAAP Diluted WAS	1,971	1,973	1,960	1,949	1,938	1,986	1,962	1,955

Percentage of Total Net Revenue:

GAAP gross margin	16.6%	16.9%	16.6%	19.5%	21.0%	17.9%	17.5%	18.5%
Non-GAAP adjustment	0.8%	0.7%	0.6%	0.5%	0.5%	0.4%	0.7%	0.6%
Non-GAAP gross margin	17.4%	17.6%	17.2%	20.0%	21.5%	18.3%	18.2%	19.1%
GAAP operating expenses	13.2%	13.4%	11.8%	12.8%	13.7%	12.7%	13.4%	12.9%
Non-GAAP adjustment	-1.1%	-1.4%	-0.2%	-0.4%	-0.4%	-0.4%	-0.8%	-0.6%
Non-GAAP operating expenses	12.1%	12.0%	11.6%	12.4%	13.3%	12.3%	12.6%	12.3%
GAAP operating income	3.4%	3.5%	4.8%	6.7%	7.3%	5.2%	4.1%	5.6%
Non-GAAP adjustment	2.0%	2.0%	0.8%	0.9%	0.9%	0.8%	1.5%	1.1%
Non-GAAP operating income	5.4%	5.5%	5.6%	7.6%	8.2%	6.0%	5.6%	6.7%

Note: Percentage growth rates and ratios are calculated based on underlying data in thousands.

⁽¹⁾ Other for Q1 FY11 includes amounts for the \$100 million settlement of the SEC investigation and a \$40 million settlement for a securities litigation matter, which are both recorded in operating expenses. Other for Q3 FY11 consists of Dell's receipt of a \$72 million merger termination fee, which is recorded in Interest and Other, Net.

DELL INC.

Historical PC Share*

IDC Worldwide Quarterly PC Tracker

	Current Rank	2010 Dell Share					Annual Share									
		Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
WW Client PCs	2	12%	13%	13%	13%	12%	13%	15%	16%	17%	18%	16%	14%	14%	13%	13%
USA	2	22%	23%	24%	24%	22%	24%	29%	32%	35%	36%	33%	29%	29%	24%	23%
EMEA	3	9%	10%	10%	9%	10%	9%	9%	10%	11%	12%	12%	11%	11%	9%	10%
Asia Pacific	4	8%	9%	10%	10%	9%	4%	5%	6%	6%	7%	7%	7%	9%	8%	10%
Japan	5	10%	9%	11%	10%	9%	6%	7%	9%	11%	12%	14%	14%	14%	12%	10%
Desktop PC	2	12%	13%	14%	14%	13%	12%	15%	17%	18%	17%	16%	15%	15%	13%	14%
Portable PC	3	12%	12%	12%	12%	11%	14%	15%	16%	17%	18%	17%	14%	14%	12%	12%
x86	2	26%	29%	30%	27%	26%	19%	22%	25%	25%	26%	26%	25%	27%	27%	28%
Consumer	3	9%	9%	8%	8%	9%	6%	10%	12%	13%	12%	11%	8%	9%	9%	9%
SMB ¹	2	12%	13%	13%	13%	12%	12%	12%	13%	14%	15%	14%	14%	14%	12%	13%
Public	3	15%	17%	21%	19%	15%	20%	19%	15%	17%	21%	17%	19%	20%	21%	18%
Large Enterprise ²	2	30%	31%	32%	29%	27%	30%	30%	30%	31%	32%	25%	29%	31%	32%	29%

*PC's include Desktops, Notebooks, data as of February 2010

¹SMB includes companies with less than 500 employees

²Large Enterprise includes companies more than 500 employees