
2011 Dell Analyst Meeting

June 29, 2011



Welcome

Rob Williams

Vice President, Investor Relations



Forward-looking statements

Special Note on Forward Looking Statements:

Statements in this presentation that relate to future results and events (including statements about Dell's future financial and operating performance, operating strategies, strategic investments, sales volumes, stock repurchases, pricing, and product mix, as well as the financial guidance with respect to revenue and non-GAAP operating income) are forward-looking statements 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: intense competition; Dell's cost-cutting measures; Dell's ability to effectively manage the growth of its distribution capabilities and add to its product and services offerings; Dell's ability to effectively manage periodic product and services transitions; weak global economic conditions and instability in financial markets; Dell's ability to generate substantial non-U.S. net revenue; weak economic conditions and additional regulation affecting Dell's financial services activities; Dell's ability to achieve favorable pricing from its vendors; Dell's ability to deliver consistent quality products and services; Dell's reliance on third-party suppliers for product components, including reliance on several single-sourced or limited-sourced suppliers; successful implementation of Dell's acquisition strategy; Dell's product, customer, and geographic sales mix, and seasonal sales trends; access to the capital markets by Dell or its customers; loss of government contracts; the risk of temporary suspension or debarment from contracting with U.S. federal, state and local governments as a result of settlements of an SEC investigation by Dell and Dell's Chairman and CEO; 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 obtain licenses to intellectual property developed by others on commercially reasonable and competitive terms; information technology and manufacturing infrastructure disruptions or breaches of data security; 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; expiration of tax holidays or favorable tax rate structures, or unfavorable outcomes in tax audits and other compliance matters; Dell's ability to attract, retain, and motivate key personnel; 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; 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 Jan. 28, 2011. In particular, Dell's expectations with regard to revenue and non-GAAP operating income for the full fiscal year ending Feb. 3, 2012 assume, among other matters, that there is no significant decline in economic conditions generally or demand growth specifically, no significant change in product mix patterns, Dell's ability to realize its pipeline opportunities, no supply chain disruptions, and no significant adverse component pricing or supply movements. Dell assumes no obligation to update its forward-looking statements.



Forward-looking statements

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 slides captioned "Supplemental Non-GAAP Measures." Non-GAAP operating income growth as projected for Fiscal 2012, which is a forward looking non-GAAP financial measure, excludes the following items, some of which Dell cannot forecast with certainty or accuracy due to their inherently indefinite and contingent nature, thereby preventing Dell from reconciling its projections to GAAP: acquisition related charges, amortization of purchased intangible assets related to acquisitions, and severance and facility action costs. A detailed discussion of our reasons for including the non-GAAP financial measures and the limitations associated with those measures is presented in "Management's Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations - Non-GAAP Financial Measures" in Dell's annual report on Form 10-K for the financial year ended January 28, 2011. We encourage investors to review the historical reconciliation and the non-GAAP discussion in conjunction with our presentation of the non-GAAP financial measures.



Agenda

Part I – Strategy & Financial Model

7:00 – 7:05 am	Welcome
7:05 – 7:15 am	Executing Our Growth Strategy
7:15 – 7:40 am	Financial Model
7:40 – 7:55 am	Strategy to Win in the Virtual Era
7:55 – 8:30 am	Founders Panel

Rob Williams
Michael Dell
Brian Gladden
Dave Johnson
Michael Dell
Bob Moul
Rob Meinhardt
Phil Soran
Mike Cote

Vice President, Investor Relations
Chairman and CEO
SVP, Chief Financial Officer
SVP, Corporate Strategy
Chairman and CEO
General Manager, Dell Boomi
General Manager, Dell KACE
Vice President, Dell Compellent
Vice President, Dell SecureWorks

8:30 – 8:45 am Break

Part II – Solutions Domains

8:45 – 9:00 am	End-User Computing Solutions
9:00 – 9:15 am	Success in the Enterprise
9:15 – 9:30 am	Dell Services
9:30 – 10:10 am	Q&A
10:10 – 10:25 am	Break

Jeff Clarke
Brad Anderson
Steve Schuckenbrock
Jeff, Brad and Steve

Vice Chairman, Global Operations & End-User Computing
SVP, Enterprise Solutions Group
President, Dell Services

Part III – Customer Relationships

10:25 – 11:00 am Customer Panel

Karen Quintos
Brad Thompson
Becky Sykes
Aaron Beasecker
Claus Moldt
Paul Bell
Steve Felice
Karen, Paul and Steve

SVP, Chief Marketing Officer
Director, IT Infrastructure Engineering, Target
SVP, Chief Information Officer, Catholic Health Partners
VP, Information Technology, Lopez Foods
Global CIO and SVP, Service Delivery, Salesforce.com
President, Public and Large Enterprise
President, Consumer, Small & Medium Business

11:00 – 11:15 am	Public & Large Enterprise Review
11:15 – 11:30 am	Consumer, Small & Medium Business
11:30 – 12:00 pm	Q&A

Part IV – Lunch & Closing

12:00 – 1:15 pm	Executive Luncheon
1:15 – 2:00 pm	Q&A

All
Michael and Brian



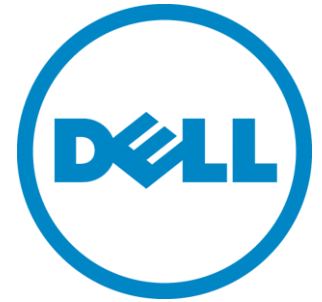


The power to do more

Executing Our Growth Strategy – Efficient IT Solutions

Michael Dell

Chairman and CEO



Dell today...

Our growth strategy

Efficient IT solutions

Open, capable and affordable
with a mid-market design focus

- Next Gen Computing Solutions and Intelligent Data Management
- Services, Security & Cloud
- End-User Computing

Long-term value creation

- Balanced liquidity, profitability and growth



Our commitment

Delivering results, investing for growth and building on our strengths

Develop & acquire key IP
and sales capabilities

- 8 acquisitions in last 12 months
- \$1B committed to organic growth & innovation

Deliver solutions
that customers value

- \$18 billion enterprise solutions and services in FY11
- New strategic solutions alignment

Capture growing share
of IT profit pool

- Significantly improved client profitability
- FY11 server, storage & networking gross margin dollars up 32%

Grow operating income
and cash flow

- FY11 Non-GAAP operating income up 40% to \$4.1B
- 1Q'12 TTM cash flow from ops up 24% Y/Y to \$4.2B



Dell's differentiation...

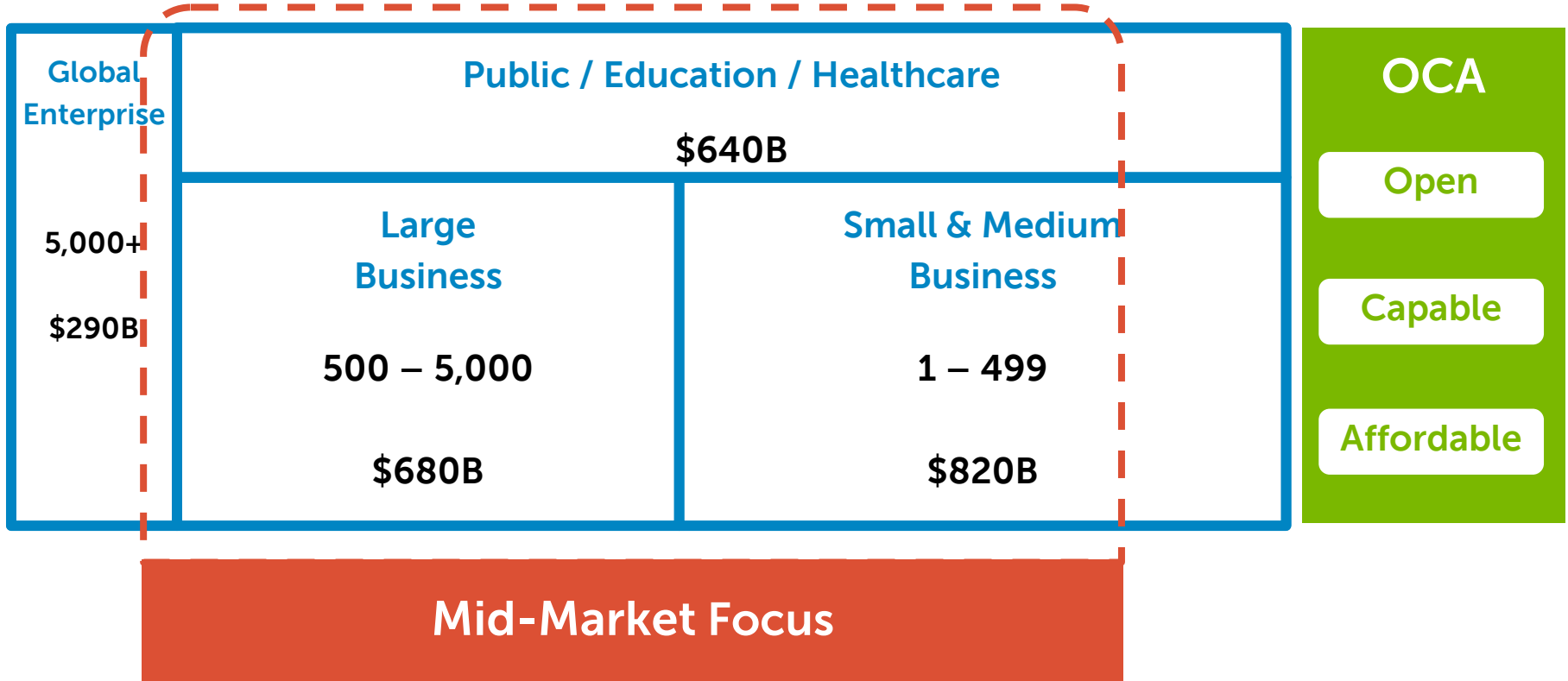
Unwavering focus on our customers

Global Enterprise	Public / Education / Healthcare		Consumer
	\$640B		
5,000+	Large Business	Small & Medium Business	\$220B
\$290B	500 – 5,000	1 – 499	
	\$680B	\$820B	



Dell's differentiation...

Two lenses—mid-market and open, capable and affordable



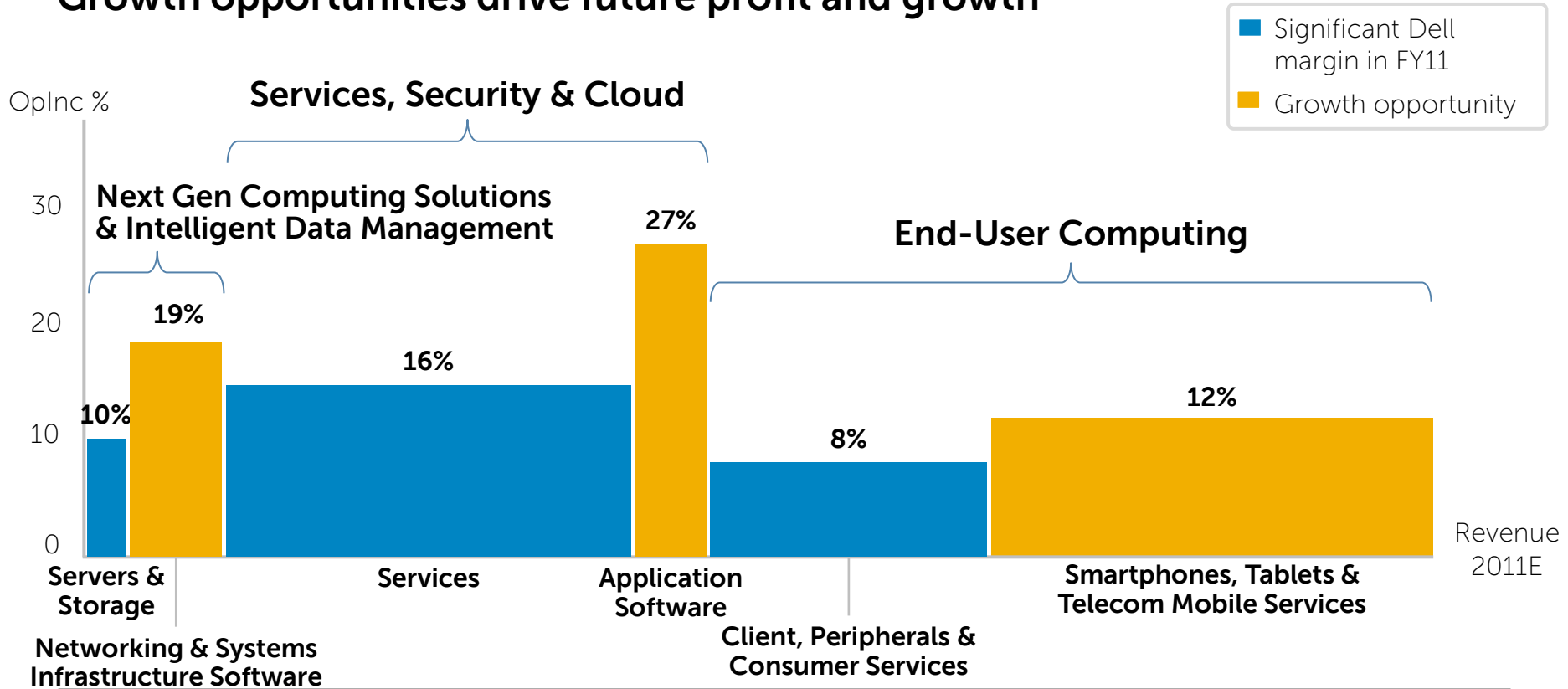
Dell's differentiation...

Two lenses—mid-market and open, capable and affordable



Refining strategy to focus on key solutions domains

Growth opportunities drive future profit and growth



Locked on our strategy

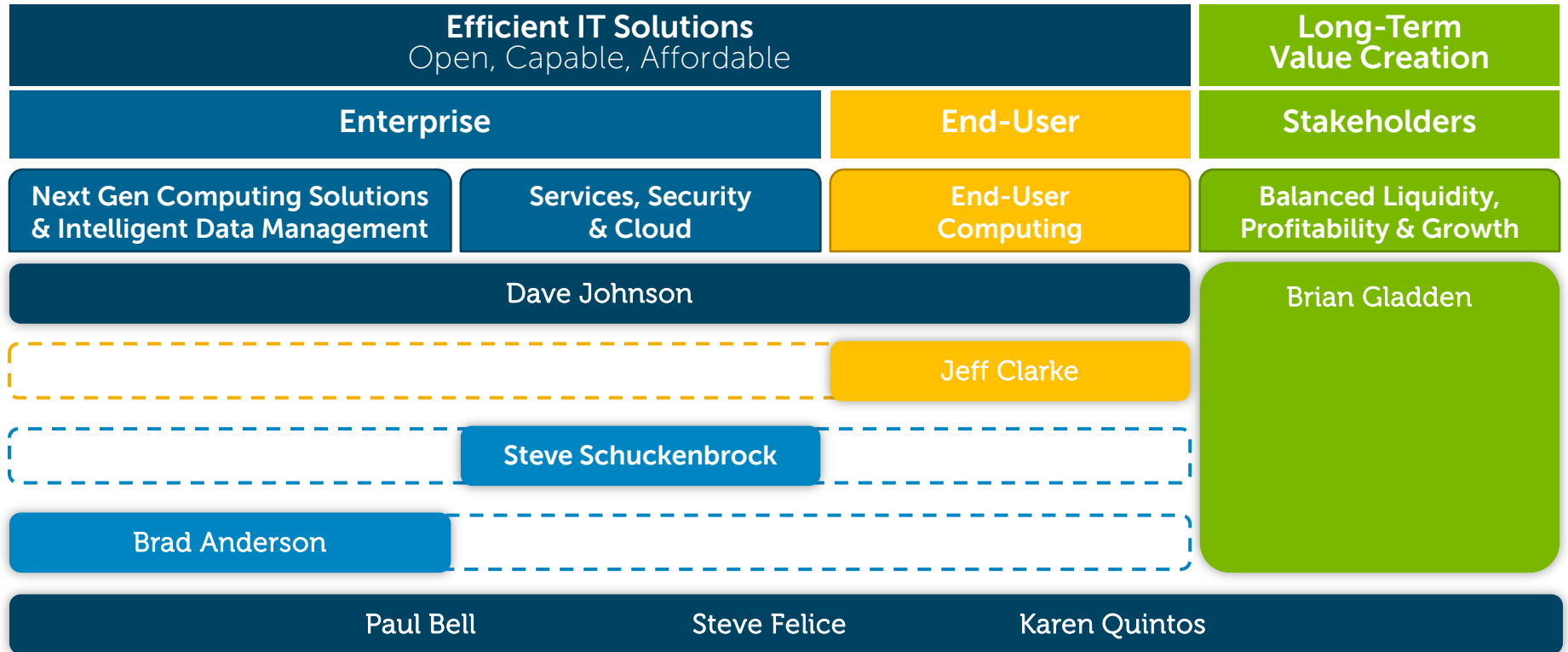
Building enterprise solutions that drive efficiency and flexibility for the Virtual Era

Efficient IT Solutions Open, Capable, Affordable		Long-Term Value Creation					
							
Enterprise		End-User		Stakeholders			
Next Gen Computing Solutions & Intelligent Data Management		Services, Security & Cloud		End-User Computing		Balanced Liquidity, Profitability & Growth	
Virtualization, vStart, AIM Systems Management, Modular Data Centers, Networking Fluid Data Architecture, SAN & Scale-out NAS, Deduplication		Multi-Vendor Support, BPO & Applications, IT Infrastructure Outsourcing Security & Cloud ITaaS, SaaS, PaaS		Flexible & Optimized Value Chain Mobility Solutions Tablets & Smartphones Desktop Virtualization		> 5-7% Rev. Growth 7%+ GAAP OpInc CFOps > Net Income	



We are executing a growth strategy...

Built on enterprise solutions that drive efficiency and flexibility for the Virtual Era



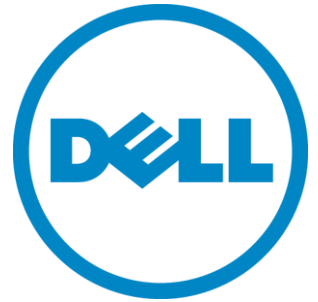


The power to do more

Financial Model

Brian Gladden

SVP, Chief Financial Officer



Key messages

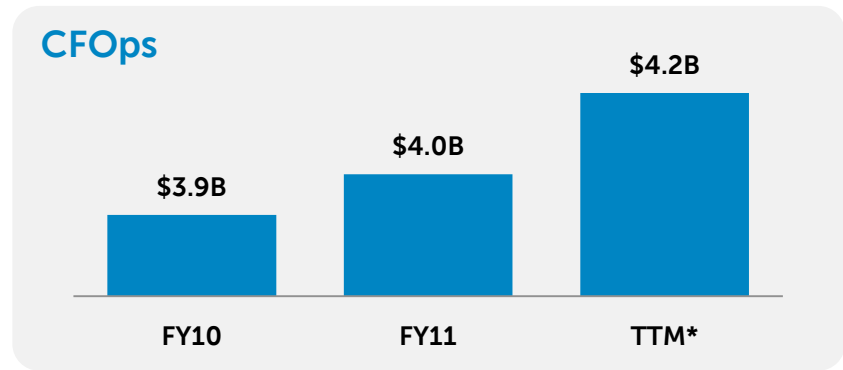
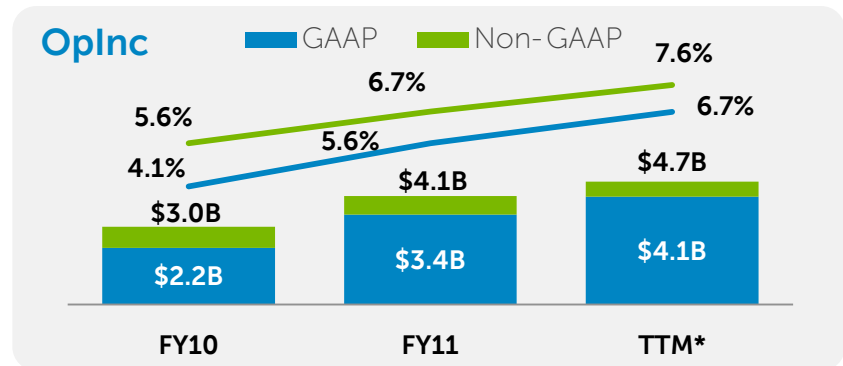
- Company executing well on long-term strategy
- Client business doing very well ... driven by cost, products and execution
- Disciplined resource allocation ... fueling significant investment in sales capabilities and innovation
- Enterprise growth accelerating ... storage and services positioned to drive profitable growth
- Financial results progressing toward value creation framework



Executing our long-term value creation framework...

Significant progress toward improving and sustaining profitability

Long-Term Value Creation	FY 11 result
Revenue growth > 5-7%	Revenue \$61.5B, up +16% Y/Y
GAAP OpInc > 7%	GAAP OpInc 5.6%
CFOps > Net Income	CFOps \$4.0B vs. N.I. \$2.6B



* Trailing twelve months since 1Q'12

2011 Dell Financial Analyst Meeting

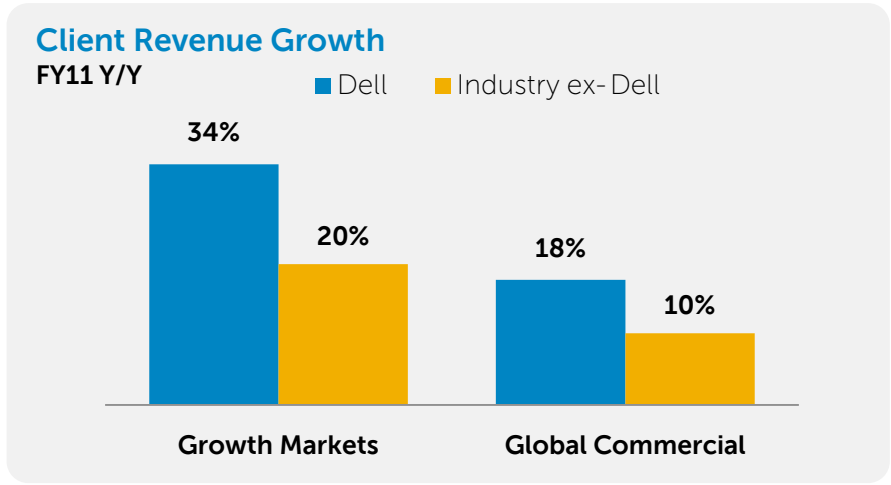
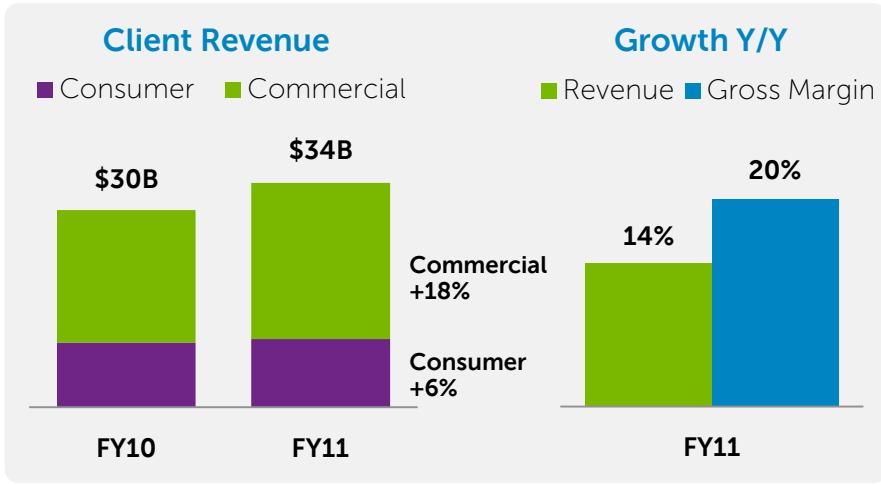


Great progress with client business...

Outstanding cash flow & important entry point into adjacent profit pools

- **Positioned well for growth in commercial**
- **Strong progress in cost structure and supply chain** support continued confidence in client business
- **Efficient and asset light**... sustaining cash flow generation

- **Key to two big markets**... mid-market and growth markets*
- **Enables conversations** about services and S&P
- **Drive opportunities for financing from Dell Financial Services**... generating an ROE >30%



Source: IDC & Company Estimates

* Includes all regions with the exception of the US, Canada, Western Europe and Japan

2011 Dell Financial Analyst Meeting



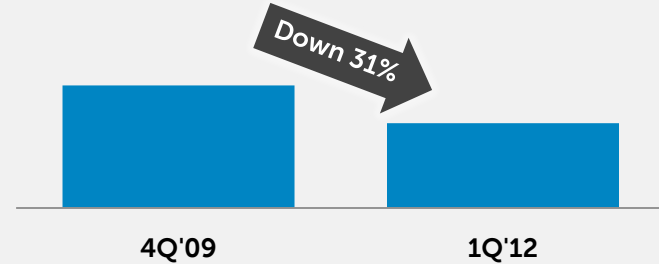
Sustainable COGS improvements...

Driving competitive cost structure, and can grow business from here

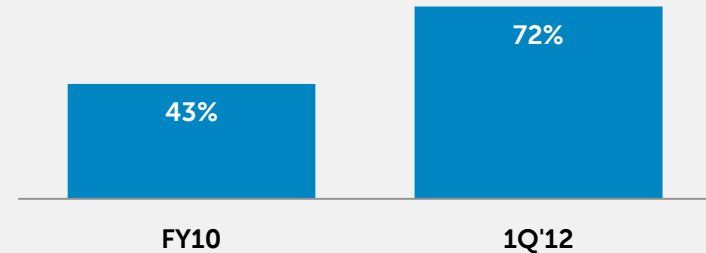
Progress in COGS and gross margins

- **Reduced number of configurations**... resulting in materials reduction, faster time to market
- **Better products**... reduced warranty expense and less obsolete inventory
- **Improved supply chain**... lower transformation and freight costs
- **Organizational scaling**... reduced overhead
- **Better forecasting**... building and shipping in bulk... enabling ocean shipment
- **Improved planning**... matching product forecasting to retail seasonality
- **Better pricing**... selling to forecast, selling to segment value

Transformation Cost*



Contract Manufacturing % of Total Units



* Transformation cost includes manufacturing labor & overhead, logistics & obsolescence



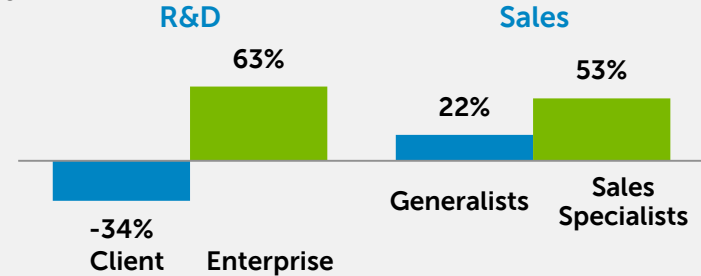
Disciplined resource allocation...

COGS and Opex discipline enabling investment in solutions

- **Margin performance allows us to invest** in sales and more focused R&D...
 - Sales specialists now make up nearly 30% of our sales spend
 - R&D spend on servers and storage is projected to be >70% of total R&D spend in FY12
- **World class levels of G&A** ... spend is about flat creating operating leverage as revenue growth accelerates
- **Investments tied to P&L progress** ... will modulate investments based on progress
- Teams aligned and incentivized to achieve targets around **revenue, operating income and cash earnings**

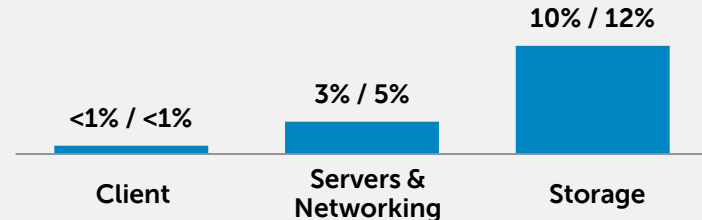
R&D & Sales Spend

1Q'12 Y/Y



R&D as % of Sales

Current/Target



Enterprise growth is accelerating...

Strategically positioned in growing IT markets

Significant growth in the past year ...

Mix shifting to Dell-branded offerings

Strong growth

Higher margins

Solutions driven

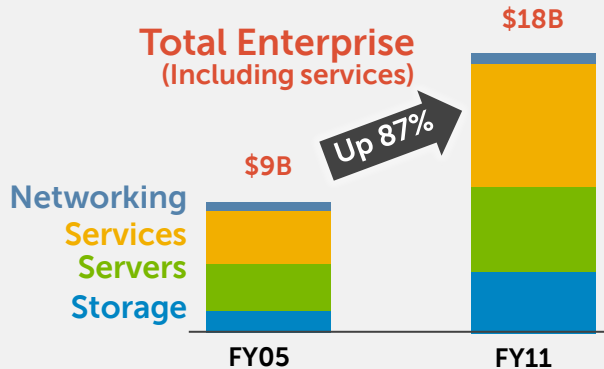
Focus Areas

Servers: \$8B

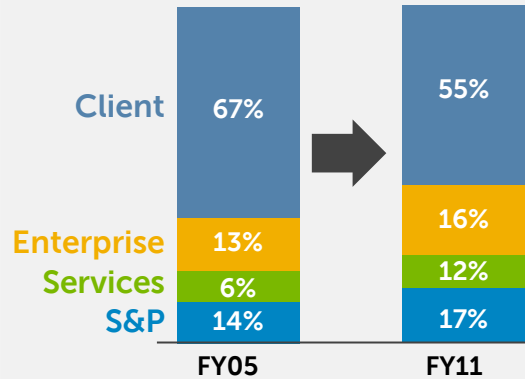
Storage: \$2B

Services: \$8B

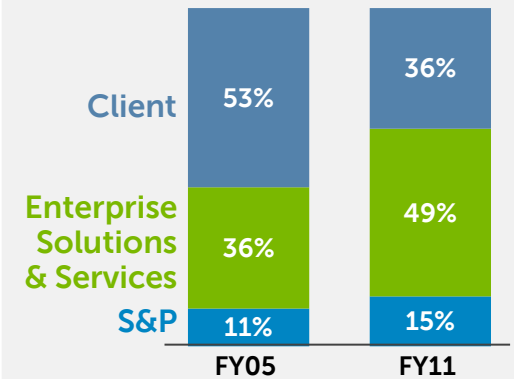
Revenue



Revenue Mix

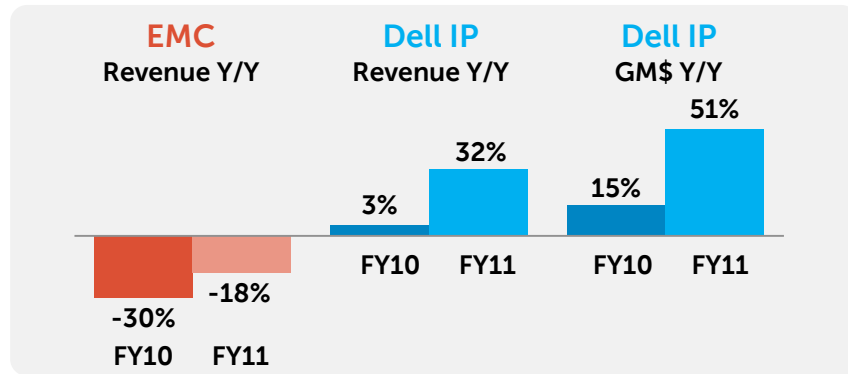
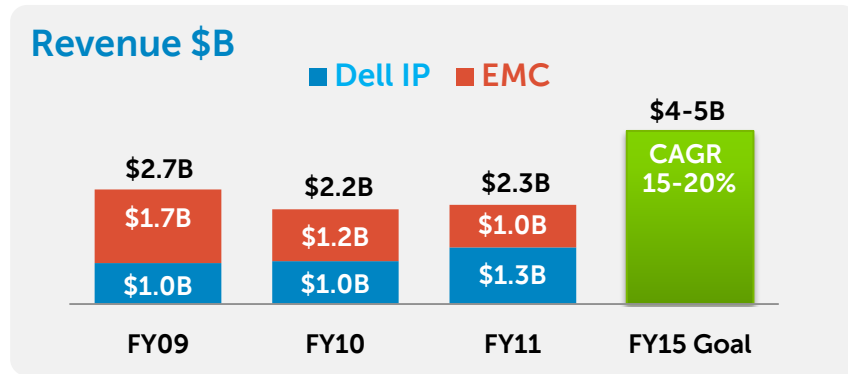


Gross Margin Mix



Dell Storage

Strategic asset poised for growth



Key strengths

- **Mix shift opportunity ...** from lower margin reseller business to primarily Dell IP (storage gross margin 1Q'12 >40% vs. 1Q'09 <20%)
- **Full complement of SAN solutions...** PowerVault, EqualLogic (iSCSI) and Compellent (Fibre Channel) storage
- As of 1Q'12, **Dell IP** represents 70% of revenue and nearly 90% of gross profits; EMC revenue decreases to <10% for the rest of the year

Updates

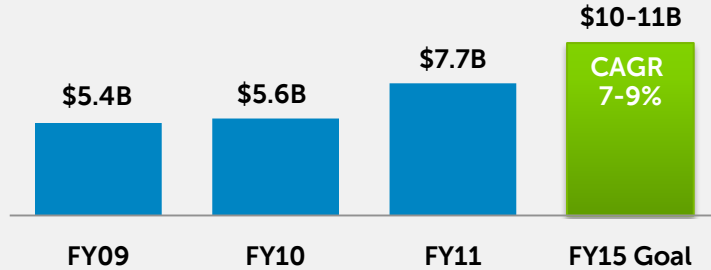
- **Compellent pipeline is up nearly 4x** since announcing acquisition, exceeding internal plans, and now sold in 29 countries
- **Introduced first of many NAS solutions** based on Exanet scale-out file cluster storage architecture



Dell Services

Strong platform for profitable growth

Revenue \$B



Services Backlog \$14.1B

as of 1Q'12



Key strengths

- **Integrated service company**... support, cloud computing, managed services, data center services, application development and BPO
- **Preferred provider**... leveraging Dell's domain expertise horizontally, vertically & internationally
- **#1 in healthcare**... leading healthcare industry transformation... holistic "Health Information Exchange" portfolio (ARRA & Health Reform)

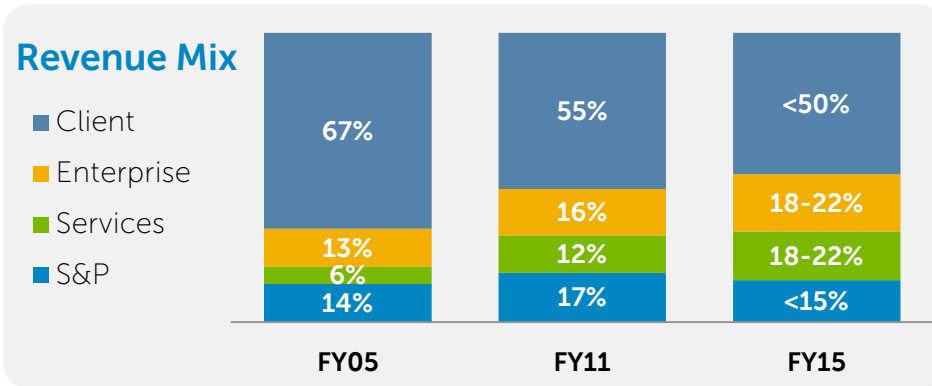
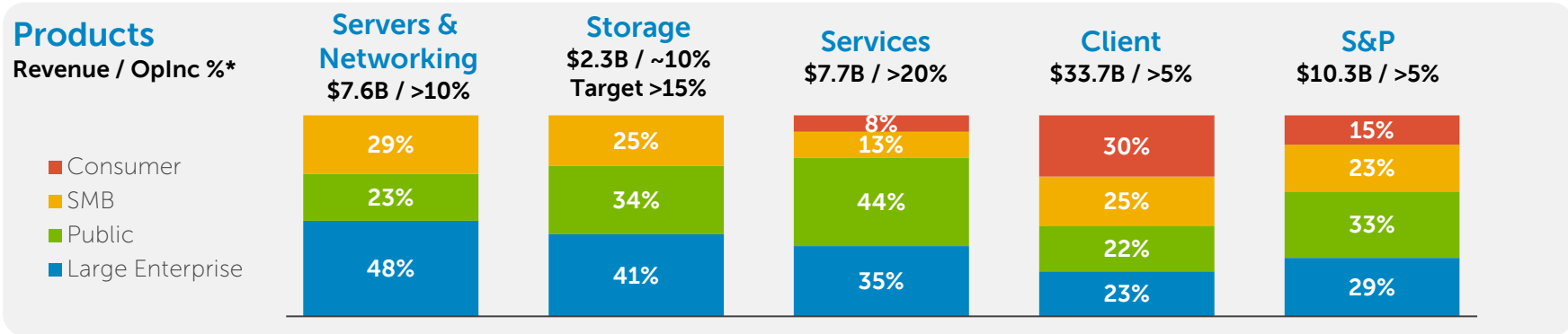
Updates

- **Multi-vendor support** and remote delivery
- **Investing in private/public/hybrid clouds**... delivering secure, enterprise burst capacity
- **Security**... scaling & productizing SecureWorks
- **Focus on applications and BPO**... with focus on vertical expertise, optimized talent capabilities and technology migrations



Broad portfolio well-positioned for the future...

Generating solid returns and mixing to more profitable solutions



- Dell IP and innovation changing conversation with customers... focused on solutions that optimize efficiency and flexibility
- Product mix shift to enterprise solutions and services key to improved and sustained profitability long-term
- Executing well with profitable client and S&P business... sustaining structural cost improvement

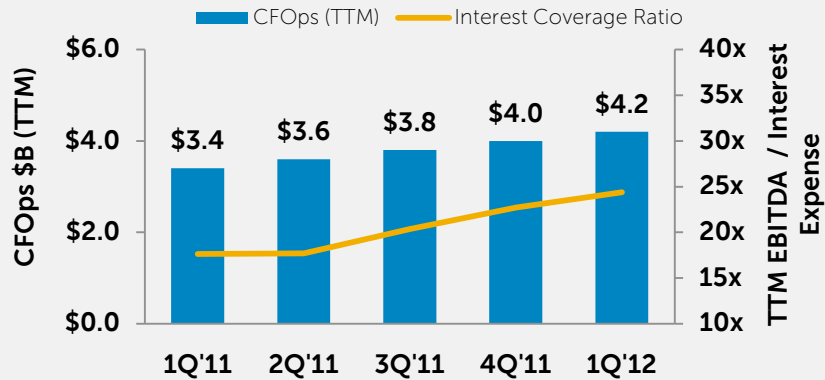
* OpInc % approximate 1Q'12 actuals. Additionally, extended warranty support services is counted both in services and in each line of business.



Solid cash generation & increasing strategic investments

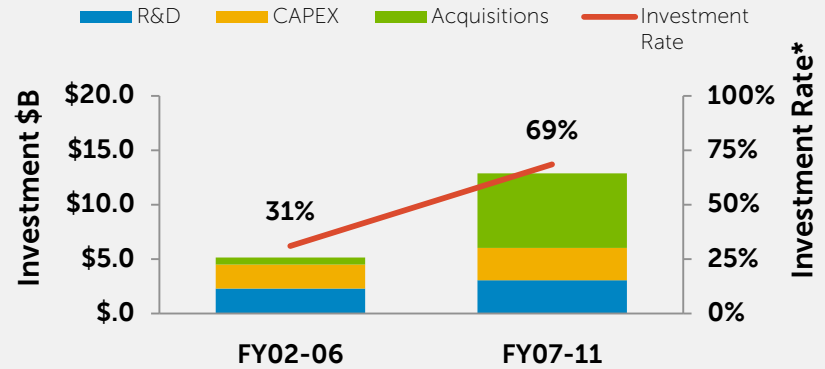
Provides flexibility and fuels future growth

Cash Flow Generation



- **Strong cash flow generation** model
- **Target share repurchase at 10-30% of FCF**
... resources to accelerate share repurchase selectively

Strategic Investment Rate



- **Acquisitions will continue to be critical** focus of strategic investment activities
- **Shifting mix of investments in R&D** and Capex to align with strategic priorities

$$\text{*Strategic Investment Rate} = \frac{\text{Capital Expenditures} + \text{Acquisitions} + \text{R\&D}}{\text{EBITDA} + \text{R\&D} + \text{Rent} - \text{Taxes}}$$



Company executing well on long-term strategy

Delivering on our long-term valuation framework

Long-term Value Creation

Balanced Liquidity, Profitability & Growth

Revenue Growth
> 5-7%

GAAP OpInc %
> 7%

CFOps
> Net Income

Key Drivers

Shifting Mix

Higher margins
Improved growth rates
More recurring revenues

Making key investments

Organic growth
Prudent acquisitions

Improving value chain

Profit-share leader
Disciplined cost management

Key Changes

Focus on solutions domains

Next gen compute & IDM
Services, security, cloud
End user computing

Committed to being profit-share leader

All lines of business
All customer segments

Growth premium in key lines of business

Storage
Services





The power to do more

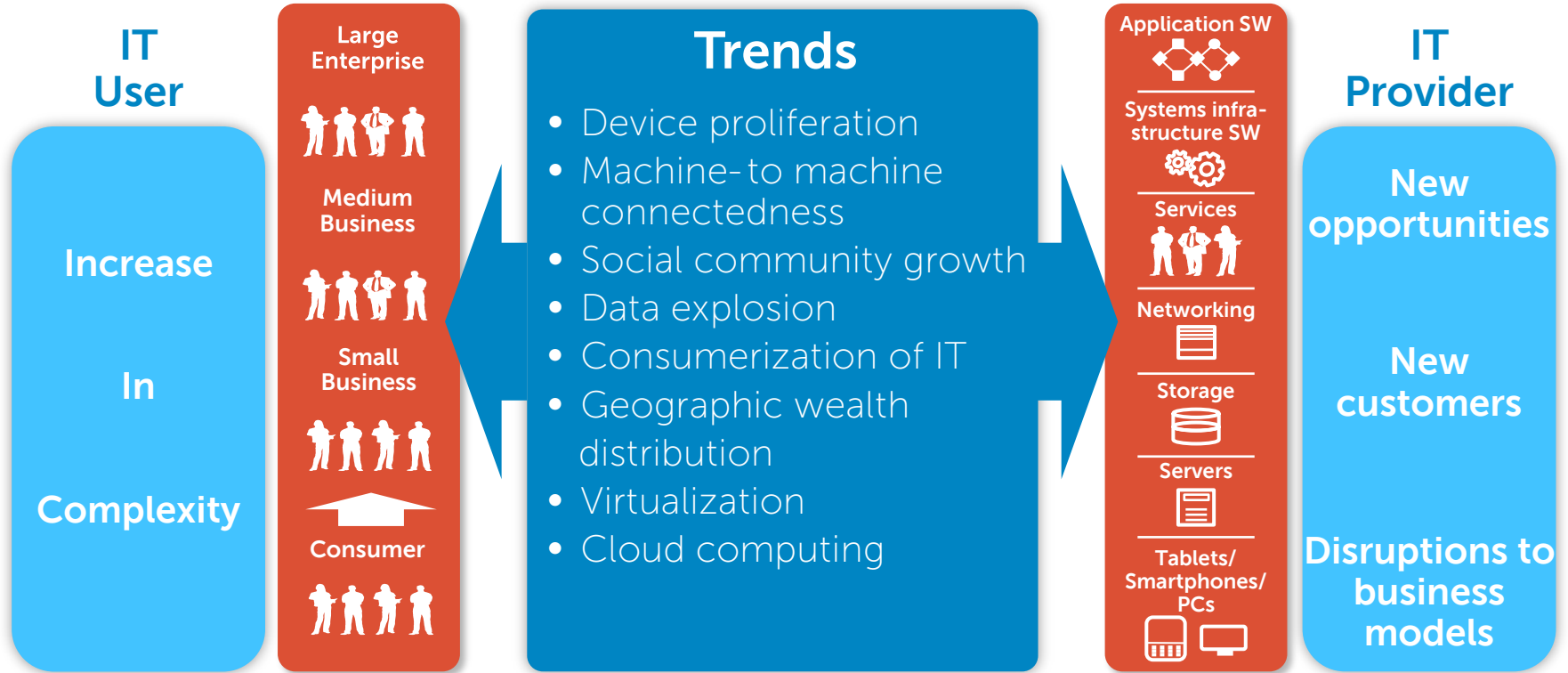
Dell's Strategy to Win in the Virtual Era

Dave Johnson

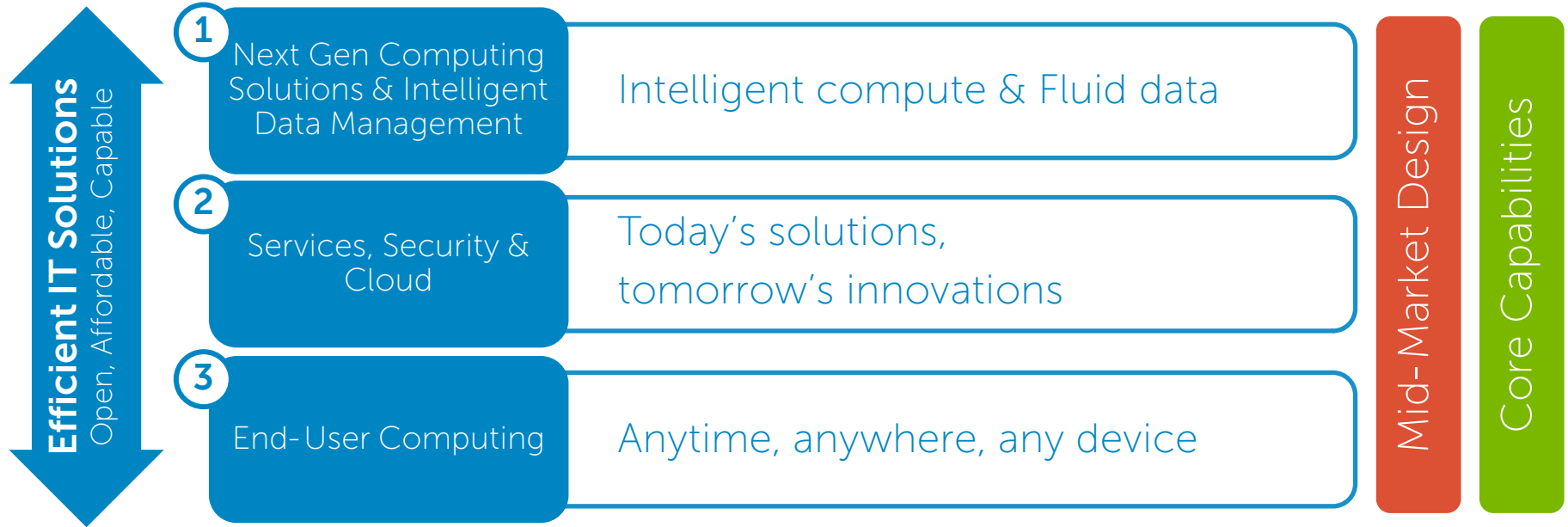
SVP, Corporate Strategy



The Virtual Era presents challenges for both the IT user and provider

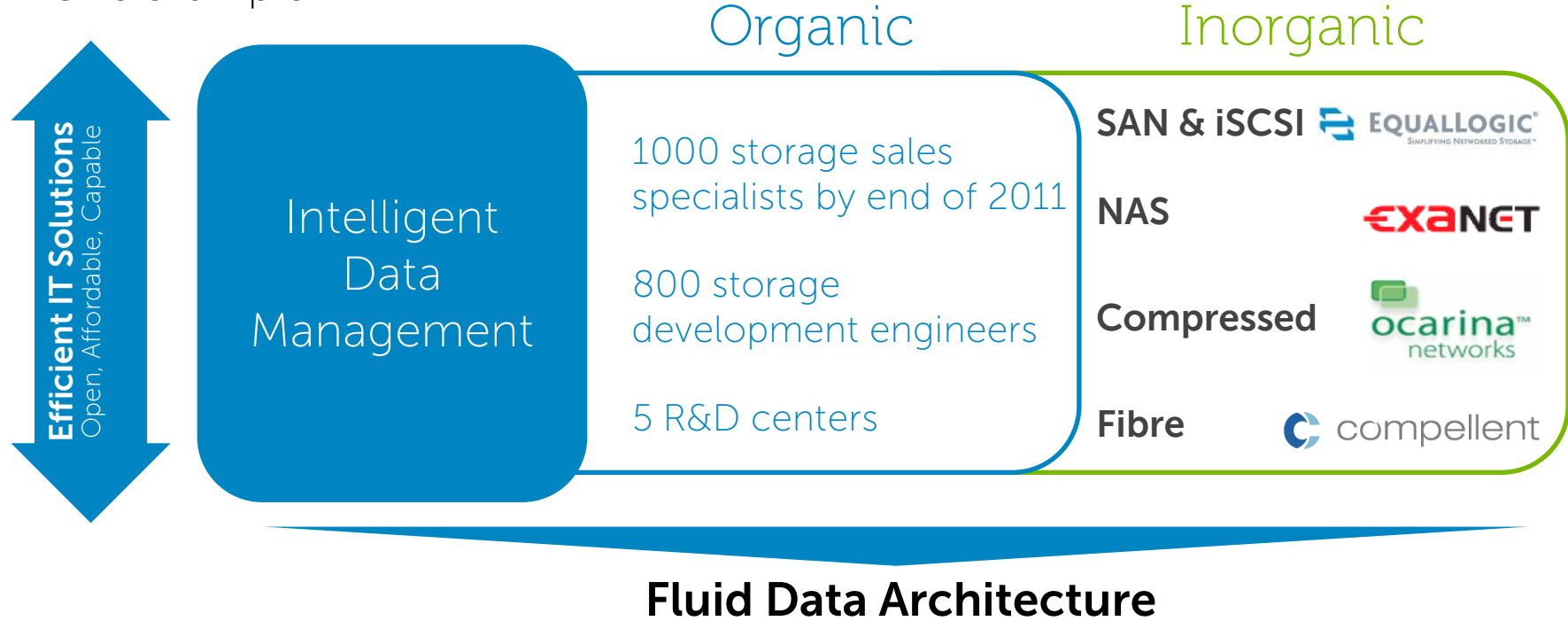


To help customers address these challenges, our efficient IT strategy delivers simplicity in 3 solution domains

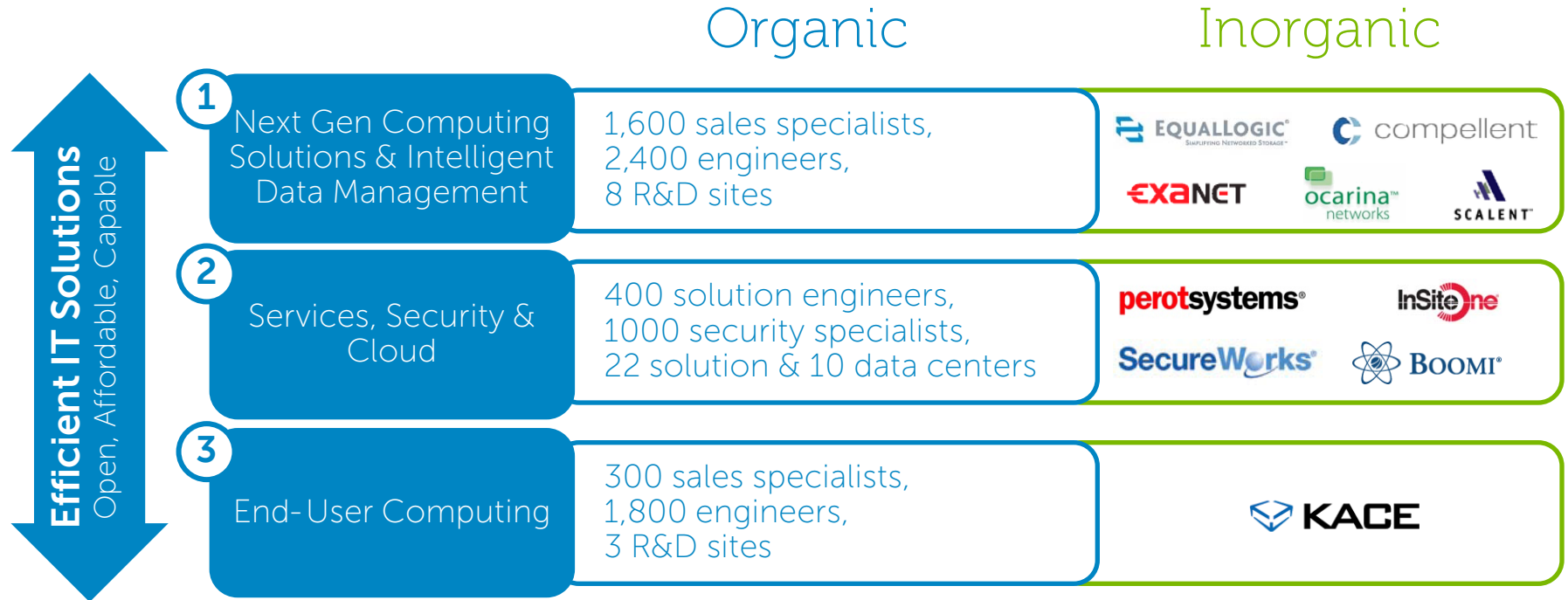


Competing boldly in each of these solution domains requires organic and inorganic investments

One example:



Similar organic and inorganic investments are being made across all 3 solution domains



Note: Headcount is cumulative forecast for the exit of FY12

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We are taking a thoughtful, disciplined approach to acquisitions and integrations

Reinforcing our strategy

Disciplined financial criteria and diligence

Assessing cultural alignment

Preserving value through integration planning

Governing and overseeing constantly





The power to do more

Founders Panel

Phil Soran

Vice President, Dell Compellent

Bob Moul

General Manager, Dell Boomi

Rob Meinhardt

General Manager, Dell KACE

Mike Cote

Vice President, Dell SecureWorks



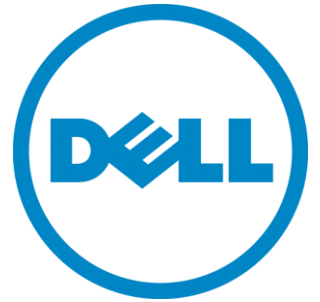


The power to do more

End-User Computing Solutions

Jeff Clarke

Vice Chairman, Global Operations & End-User Computing



“End-User Computing” is a trillion-dollar category

Includes all solution elements – devices, data, software, services & peripherals

End-User Computing

		CAGR	
		2011-2014	
\$1.5T	\$1.4T	SP Voice	17%
		Mobile Data	31%
\$1.0T	\$1.0T	Mobile Apps/Svcs	28%
		Smartphone	13%
		Tablet	20%
\$0.5T		PC Mobile Data	21%
		PC SW/Services	6%
		Peripherals, Imaging Displays	3%
		PCs	7%
2011	2014		

- End-User Computing includes the full continuum of computing devices, peripherals, and related services
- Category is growing at 11% per year, driven by device proliferation and the explosive growth in data consumption and creation
- New form factors and corresponding new usage behaviors creates opportunity – many more devices, greater spend “around the box,” new solutions required



\$34 billion End-User Computing solutions business...

With significant growth potential

Strategic initiatives

1 Strengthen the core

- Reduce complexity to achieve competitive costs/lead times
- Refocus efforts toward higher value areas for Dell
- Establish "repeatable" processes to sustain gains

2 Deliver solutions

- Develop comprehensive solutions based on our deep understanding of customer needs
- Provide compelling devices plus the tools to secure and manage hardware, software and data

3 Expand our reach

- Add tablets, smartphones and solutions targeting Dell's core commercial/prosumer customer base
- Lead the development of new computing paradigms

Enablers

Superior customer insights

Repeatable operational model – standardize, simplify, scale

Innovation process to secure IP



Renewed competitiveness in our core business...

Structural changes ahead of plan, delivering improved profitability

Complexity reduction

- ✓ Most popular configurations, logically bundled
- ✓ Low complexity, low cost
- ✓ Industry standard service / support

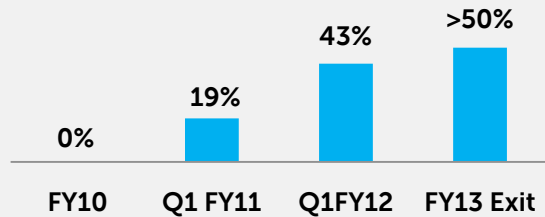
Repeatable process

- ✓ Value chain aligned end-to-end
- ✓ Customer driven product and supply chain design
- ✓ Strong supply chain performance

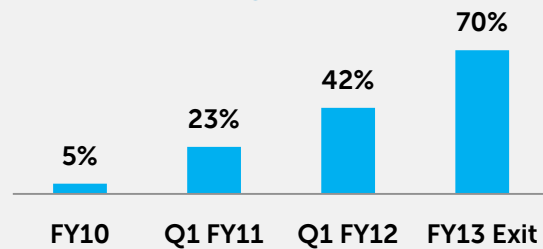
Higher value focus

- ✓ High value product leadership
- ✓ Optimized complexity, better value
- ✓ Personalization / customization
- ✓ Premium care service and support

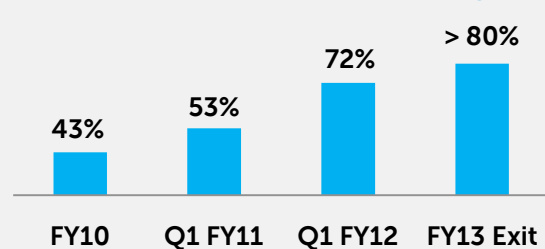
Popular, pre-configured offers



Consumer Eligible Ocean Ship



Contract Manufacturing



Renewed competitiveness in our core business...

1

We delivered on the commitments we made one year ago

What we said we would do...

- Simplified offerings aligned to customer buying characteristics (>99% fewer configurations) ✓
- Enhanced online ✓
- 98% next day shipment ✓
- Exactly what you want faster than anyone ✓
- >30% manufacturing cost reduction ✓
- 2+% COGS improvement due to commodity leverage and reuse ✓
- Revenue growth that outperforms the industry ✓
- Profitability of 5% OpInc ✓



Deliver solutions for the End-User...

Achieving an accretive revenue growth premium

Growth markets and segments

- Focus on commercial customers and prosumers
- Win in growth markets where the PC penetration is lower but growing fast, and mobile growth is fastest in the world

End-User solutions

- Define and design complete solutions by building on our deep customer relationships and targeting specific, emerging needs
- Capture greater share of wallet per customer

Technology leadership

- Accelerate innovation that drives industry-leading form factor and solution design
- Invest in software and mobility solutions



Expanding our reach in End-User Computing...

Devices and solutions that complement the core and link to enterprise/services

Expand the portfolio in mobile

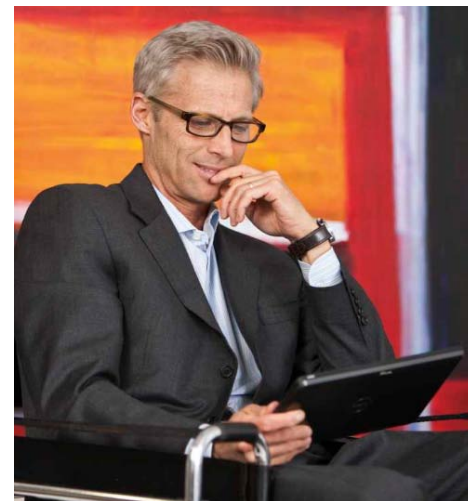
- Launch differentiated set of tablets and smartphones tightly linked to mobility solutions
- Focus on commercial and prosumer segments with enterprise-grade technology

Build differentiated "around the box" solutions

- Target "Light IT" organizations with solutions that protect data and simplify the management of multiple devices
- Drive greater efficiency and lower cost across the entire End-User Computing portfolio

Lead the development of new compute paradigms

- Investigate new or hybrid business models for computing
- Expand our portfolio of virtualization options targeting specific sub-segments





The power to do more

Success in the Enterprise

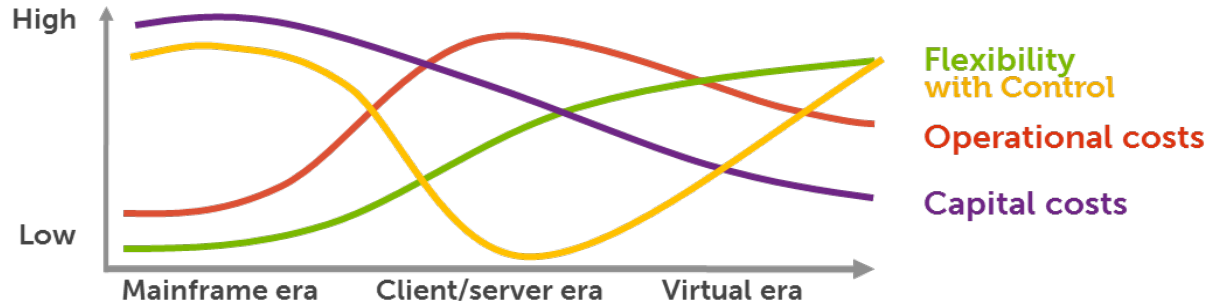
Brad Anderson

SVP, Enterprise Solutions Group



Strategy has not changed, our approach is differentiated

Virtual Era offers an opportunity and we're taking advantage by driving differentiated innovation in IT operations and data management



Customer challenge	Industry response	Dell response
VM explosion: more machines, more dynamic	Specialty tools that automate and optimize virtualization stacks	Streamlined IT processes <i>across</i> physical and virtual
Data explosion: more data, less structured	Focus on a new "tier" of storage for each usage model	Focus on an architecture that spans tiers fluidly and intelligently
Scale network to match data center virtualization requirements	Complex static networking topologies	Simplified, flat networks optimized for scale and virtual machine mobility
Agility: creating services from silos	Physically integrated "pods" that encapsulate complexity	Virtually integrated solutions that maintain choice and leverage



Compelling value focused in a few key areas

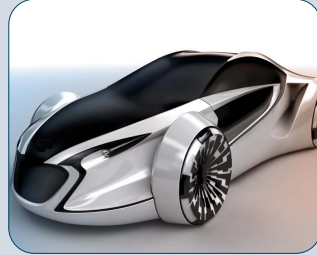
Changing the economics of operations with 5 key initiatives that represent areas where Dell can offer unique and differentiated value

<u>Focus areas</u>	<u>Key initiatives</u>	<u>Dell's unique value</u>
Next Generation Architectures	Shared Infrastructure/Orchestration	<ul style="list-style-type: none">Designing and constructing systems to deliver ease of management, orchestration and automation
	System Mgmt for Virtual/Hybrid	<ul style="list-style-type: none">Addressing physical and virtual management holistically, enabling migration between deployment models
Manage Data to Extract Value	Information Centric Workloads	<ul style="list-style-type: none">Extending adoption for key technologies by packaging the right functionality with a level of intelligence, driving ease of use
	Unified Storage Architecture	<ul style="list-style-type: none">Developing an architecture that unifies storage subsystems and offers advanced functionality that can be used across them
	Fluid Data Architecture	<ul style="list-style-type: none">Coupling a unified architecture with intelligent policy engine that enables data movement and access while balancing costs



Dell is uniquely positioned to deliver

Building on our proven track record and investment in leading technologies



Mid-market design point

- Proven track record in delivering technologies for the mid-market

Proven acquisition strategy

- Invested in differentiated IP and accelerating customer adoption

Delivering platforms of the future

- Investments are in platforms that support the Virtual Era

Leading virtualization disruptors

- Leaders in key virtualization enablement technologies

Free to innovate

- No legacy technologies to dilute focus on new technologies



Success requires multi-dimensional innovation

Continue innovation in best of breed technologies and leverage in integrated solutions that address key operational challenges

Optimized architectures

to address challenges in compute, networking, and storage environments

Intelligent compute architecture



Virtual network architecture

Fluid data architecture



End-to-end solutions

to address the operational challenges of the Virtual Era

Virtual Integrated System

vStart

Modular Data Center

Unified Clinical Archive

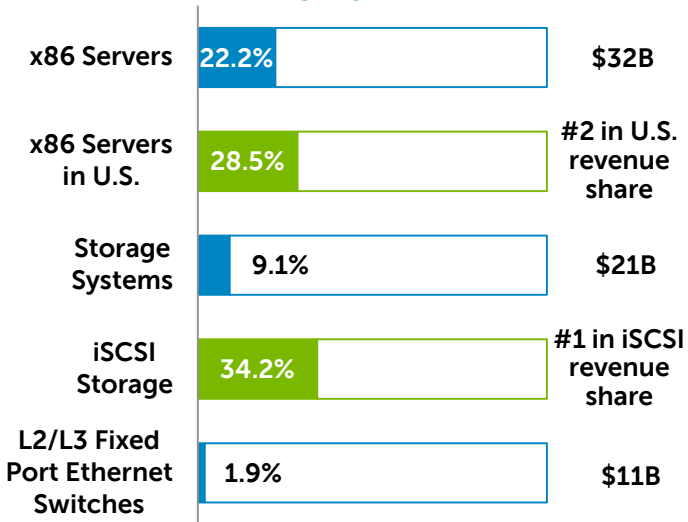


The opportunity is clear, we're positioned to capitalize on it

We're harnessing the disruptors, leveraging our freedom to innovate, and capitalizing on our mid-market expertise ... *In fact, we have done this before*

Opportunity

Industry Revenue Share
CY10

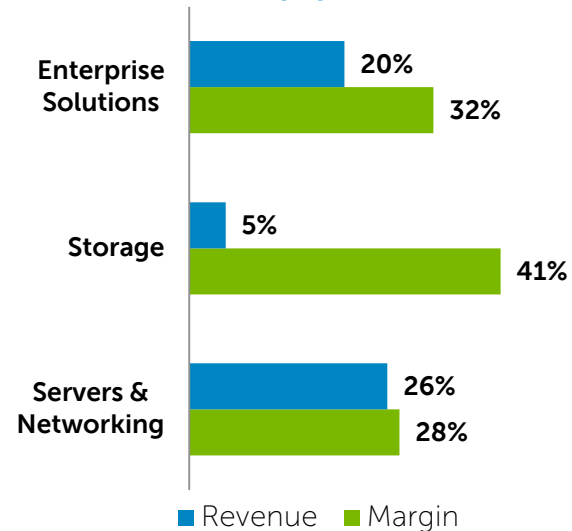


Inflection

- **Virtualization** is forcing a new way of purchasing and operating IT infrastructure
- **Explosion of data** is forcing a focus on how data is used, effecting the architecture, interaction and access of data

Momentum

Revenue & Margin Growth
FY10 to FY11





The power to do more

Dell Services
Integrating Today's Solutions with
Tomorrow's Innovations

Steve Schuckenbrock

President, Dell Services



Virtual Era places extreme demands on IT

Demand for Efficiency

Increasing Value Focus

- Ongoing IT budget pressure
- Demand for business value
- Vendor pricing

Drive to Improve Utilization

- High cost single-tenant application models
- Underutilization of dedicated hardware
- Suboptimal skill mixes

Extreme Demands on IT

Demand for Flexibility

Increasing Pace of Innovation

- Mobility and Prosumer
- Anything, Anywhere, Anytime
- SaaS, Analytics and Social

Need for Responsiveness

- Spikes in Demand
- Explosion of data
- Compressed Cycle Times
- Business Outcome Driven



Disruptive next generation models create game changing opportunities

Next generation models



Cloud Services

IT delivered as a service through private, public, and/or hybrid cloud models

- Dynamic workload shift to achieve 4-5X efficiency gain
- Pooled resources/multi-tenancy
- Simplified updates
- Cost linked to consumption
- Capital avoidance

Flexibility Impact

- On-demand processing and storage capacity
- Easy provisioning
- SaaS Offerings – Speed to Value



Next Gen Infrastructure

Designed to take advantage of modular, hyper-scale and high-density principles

- Dramatically lowered cost
- Reduced latency
- Simplified management
- Highly scalable

- Standardization equals speed
- 'Right-sized' capacity
- 'Just-in-time' capacity



Talent Capabilities

High talent, low cost resources organized by an optimized workforce pyramid

- Optimized staffing pyramid leading to improved resource utilization
- Remote support from low cost locations
- Improved access to specialized skills and technical expertise

- Enhanced resource scalability
- Industry solution frameworks



Solutions designed for the mid-market

Broad Vertical Portfolio

Efficient/Flexible

Support

Multi-Vendor

Deployment and
Configuration

Industrialized
Services

Infrastructure

Cloud Services

RIMO

Consulting
(Transformation)

Applications

SaaS

Cloud
Re-platforming

Consulting
(Cloud Migration)

BPO

BPaaS

Domain and Platform
Solutions

Transformational
KPO and Analytics

Security

Security Management

Data Center &
Cloud Security

Application &
Network Security

Endpoint &
Mobile Security

Next Generation Solutions



Dell SecureWorks

THE WALL STREET JOURNAL.

Lockheed Martin Hit by Security Breach

Hacking at Citi is Latest Data Scare

White House Targeted in Gmail Hack

FT

Nintendo Gets Gamed By Hackers

Hackers Break Into U.S. Senate Computers

cnet

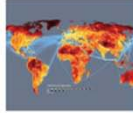
RSA Breach Puts APT Back in Spotlight

Core Assets

Services

Business Value

Global Visibility



CTU Research



Vertical Expertise



Purpose-Built Technology



5 SOCs



Expert Security Analysts



Managed Security

CTU Intelligence

Security & Risk Consulting

Threat Mitigation

Visibility

Flexibility

Cost Control

Compliance



New scope services signings since start of FY12

- Approximately \$800 Million YTD
- 17 Public and 11 Large Enterprise
- 22 Americas, 5 EMEA and 1 LATAM
- Almost 200 for SecureWorks



Global hospitality company - comprehensive IT services and solutions



U.S. based professional services firm - data center consolidation, infrastructure implementation and managed support services



Midwest university research hospital - EMR implementation and legacy applications modernization



Middle East academic and research foundation for children's hospital - prime source vendor to deliver a total healthcare IT solution



Large South American private bank - help desk and field support solution



Nuclear Regulatory Commission

Full ITO, including Data Center Hosting and Support Services

Reid Hospital

Full Outsourcing of Revenue Cycle, including Admitting, Coding/Health Information Management, Billing, and Collections



Dell Services – In Summary

**We are
executing a
growth
strategy**



- Services is a growth business, and Dell is investing in strategic capabilities, including building a world class team
- We are leveraging Dell technology to capitalize on this disruptive inflection point in the industry
- Dell Services is developing and implementing reference architectures to accelerate movement to the cloud while designing open capable and affordable enterprise solutions





The power to do more

Q&A



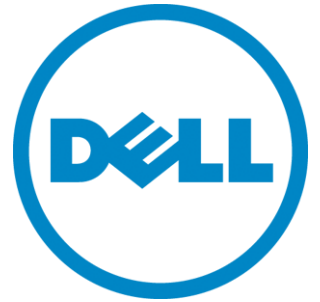


The power to do more

Customer Panel

Karen Quintos

SVP, Chief Marketing Officer



Customer Panel

Brad Thompson

Director, IT Infrastructure Engineering
Target

Becky Sykes

SVP, Chief Information Officer
Catholic Health Partners

Aaron Beasecker

VP, Information Technology,
Lopez Foods

Claus Moldt

Global CIO and SVP, Service Delivery
Salesforce.com



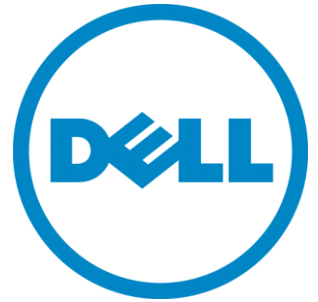


The power to do more

Public & Large Enterprise Review

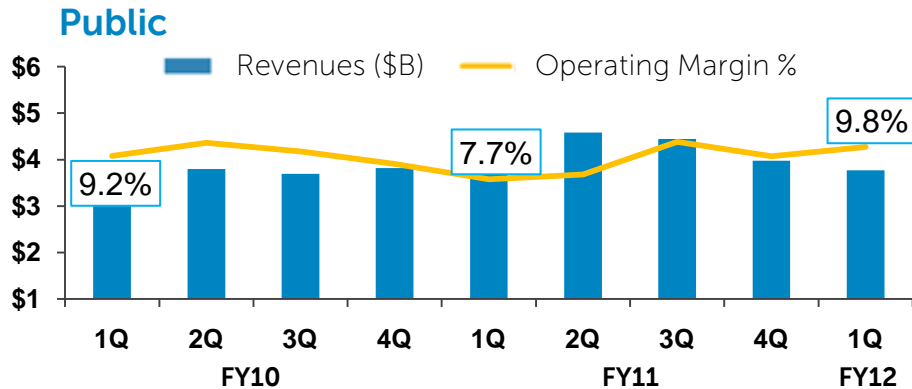
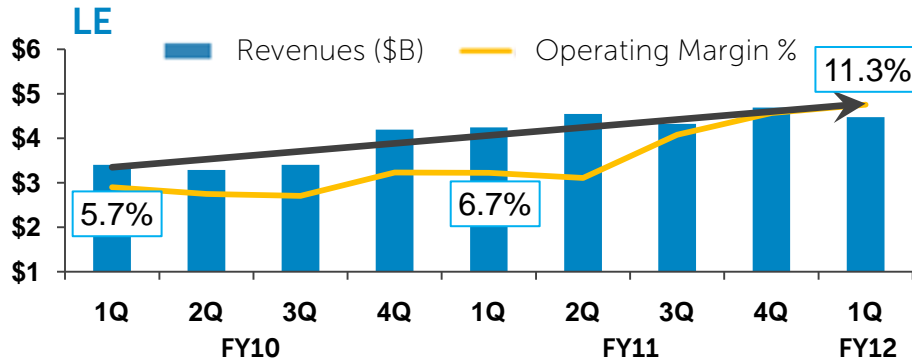
Paul Bell

President, Public & Large Enterprise



PLE profitability: strategy resonating with customers

Results reflects PLE momentum



LE

- **Highest OPINC \$'s and % in history** ... gross margin the highest over past two years in all regions
- Continued **strength in corporate refresh** led by NB growth of 16% Y/Y
- Services up 7% Y/Y with double digit growth in projects, reflecting **expanded vertical services expertise**

Public

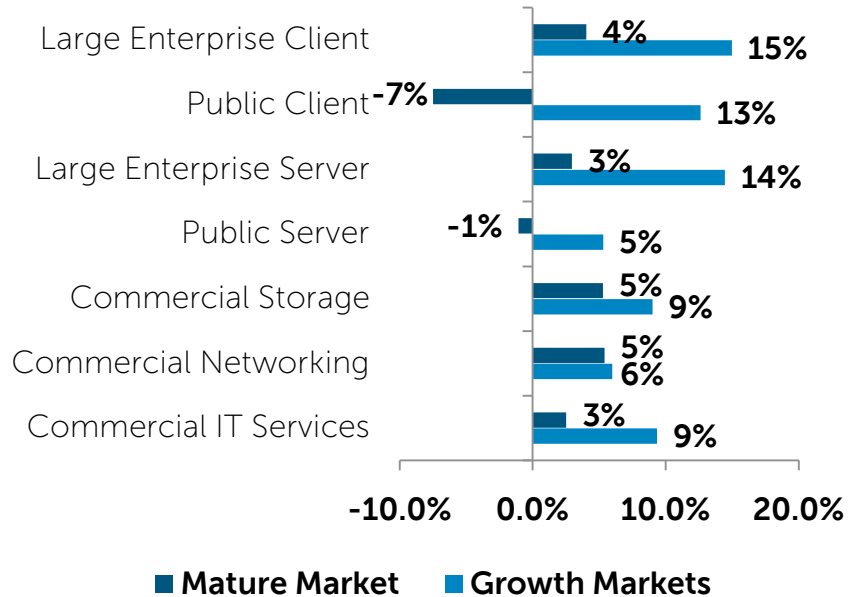
- OpInc up 24% Y/Y ... **higher mix of services, pricing discipline, and lower structural costs**
- **US Federal budgetary constraints and muted spending in Western Europe** impacted revenue.
- Revenue in **growth markets*** increased **11% Y/Y**, led by China (+50% Y/Y)

* Includes all regions with the exception of the US, Canada, Western Europe and Japan



PLE go to market (GTM): positioned to win

Industry Growth Rates (CY2011)



GTM Differentiation

- Focused on mid-market opportunity
- Key IP/Technology innovation
- Open, capable and affordable solutions
- Unlock efficiency and move critical IT dollars to innovation
- Vertically relevant solutions

Note: Mature markets include the U.S., Canada, Western Europe and Japan;
Total Commercial includes Large Enterprise, Public and SMB

Source: (1) IDC WW Quarterly PC Forecast Q1 2011



Our focus: continue to transform our business to enable customers to do more

Building Deeper Business Relationships

- **“Keep my sales rep”**
Limit account transitions to critical few
- **“Know my business”**
Sales Transformation and investment in sales teams to create customer value

545 sales people trained in CCV (Create Customer Value)

Customer Experience

- **“Improve Business to Business Online”**
Enable customers to maximize on-line experience, use Dell as a resource
- **“Free-up sales time”**
Sales Process Reengineering improved efficiency program

63% improvement in loyalty scores over past 5 quarters

Delivering Vertically-Relevant Solutions

- **“Give me solutions that address a key business challenge I’m facing in my industry”**
Pre-configured solutions that address customer mission

North America Public vertical solutions increased +13% Q/Q

Transforming GTM

- **“Increase hiring of specialists”** Strengthen sales expertise through training, specialist hiring
- **“Focus resources on growing mid-market opportunity”**

540 specialists trained or hired in FY 11; 825+ in FY12



Enabling CIOs to unleash innovation from a position of strength

TOWERS WATSON 

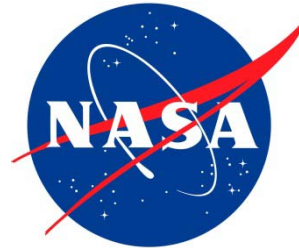
- Post-merger, optimize data centers globally
- Redesigned, consolidated, deployed and optimized global data centers
- Enabled transformation and managed services



- Streamline IT to ensure flawless execution of business critical work
- Designed and deployed end-to-end solution and services
- Cut costs, reduced complexity and ensured IT responded to business needs



- Business challenges with security, compliance, manageability of data,
- Data center strategy leveraging virtualization and data management technology
- Improved IT efficiency, responsiveness and productivity



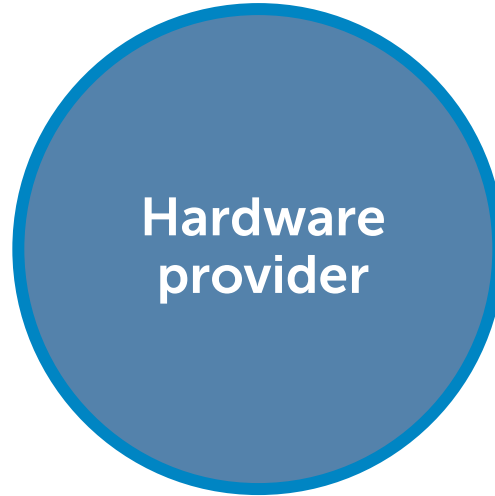
- Create first fully independent, government-operated cloud computing services
- Nebula's high-density architecture allows for a dramatically reduced data center footprint.
- Nebula is 50% more energy efficient than traditional data centers.



Key takeaway

Dell will enable CIOs to deliver more value and innovation

The Old Dell



Key takeaway

Dell will enable CIOs to deliver more value and innovation

Today's Dell



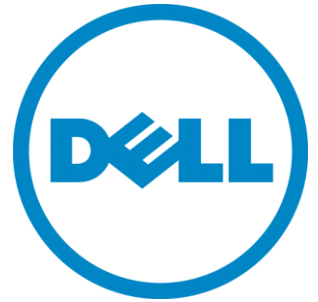


The power to do more

Consumer, Small & Medium Business Review

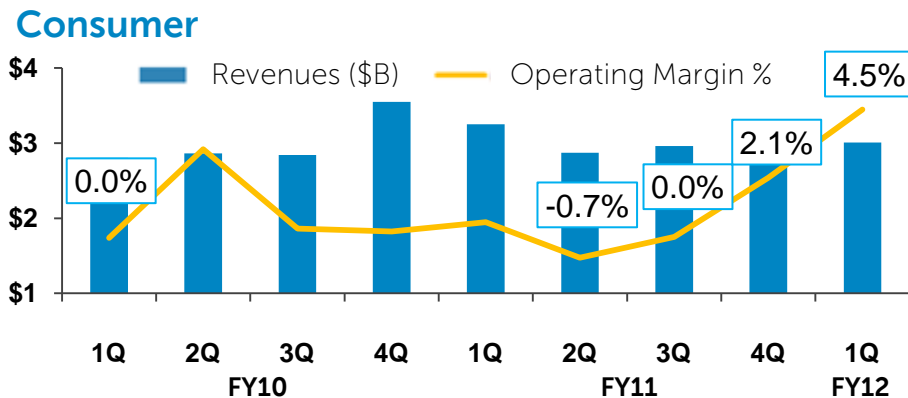
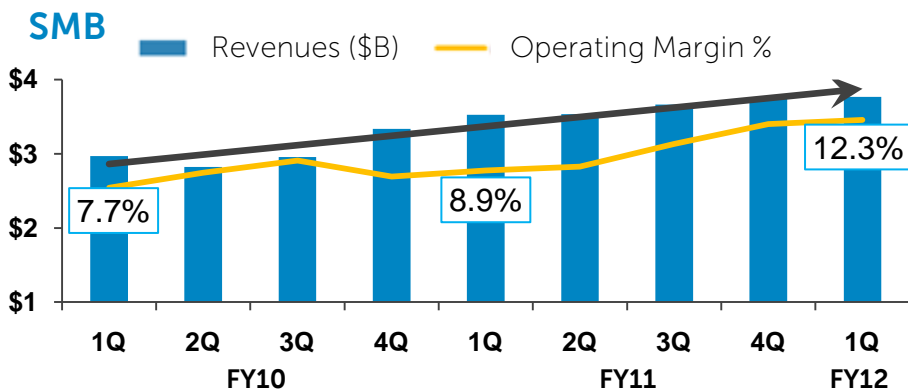
Steve Felice

President, Consumer, Small & Medium Business



CSMB profitability ramping as mix improves...

Results reflect stronger underlying economics



SMB

- **Record OpInc** driven by operational execution, pricing discipline and better mix
- **Improved mix** of servers, storage, networking and services... mix up 200+ bps and GM % up 300+ bps over past 2 years
- **Strong storage business**... Dell IP growth significantly outpacing market; Compellent quickly replacing EMC

Consumer

- **Highest margin in two years** driven by brand simplification, customer satisfaction and improved pricing discipline
- **Higher value, more differentiated products**
- **Outstanding execution in growth markets***

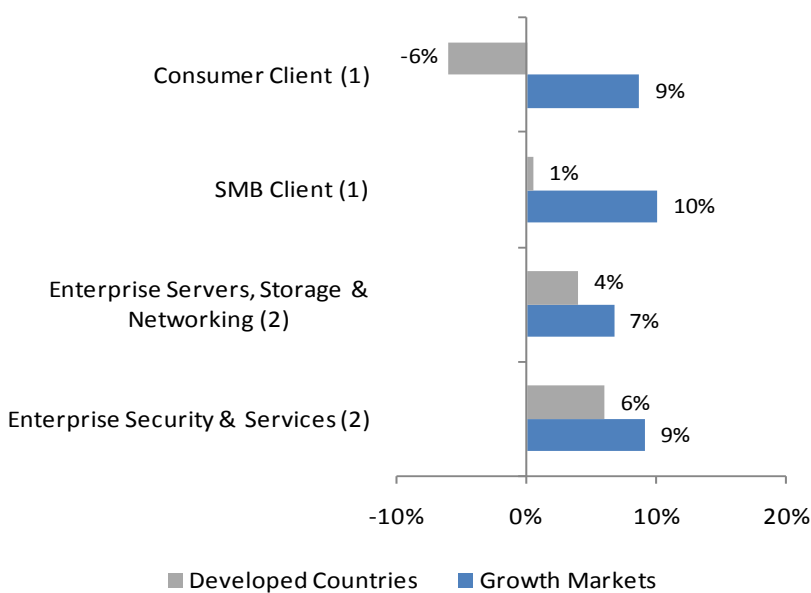
* Includes all regions with the exception of the US, Canada, Western Europe and Japan



CSMB go to market (GTM): a differentiated approach

Localization of global strategy...make open, capable and affordable relevant in target geographies and channels

Industry Growth Rates (CY2011)



GTM Differentiation

- Geographic coverage
- Channel approach (including Direct)
- Products & solutions
- Supply chain strategy
- Service and support
- Customer segmentation

Note: Mature markets include the U.S., Canada, Western Europe and Japan;
FY11 revenue mix of growth markets was 31%, up from 25% in FY10 and 21% in FY09



Our SMB GTM focus: meeting customer needs on their terms, and enabling their growth

Growth Market Focus

- **Incredible momentum** in our brand position:
- Leading brand position in **China, India and Brazil**
- **Field coverage investments** targeting growth markets

SMB Rev Growth (Y/Y)*

Growth markets +28%
Developed countries +12%

Customer Experience

- Becoming the customer's "**trusted advisor**"
- Powerful combination of **direct & channel**
- **Operational execution** excellence
- Providing **highest quality**

Customer Experience

45% Y/Y Improvement
in loyalty scores

Solutions & Solution Selling

- Solutions **relevant for SMBs**
- EqualLogic / Compellent – **Data Mgmt**
- KACE – **Secure IT asset Mgmt**
- Boomi – **enabling best of breed Cloud**

Storage Results (Y/Y)*

Dell IP Rev Growth: 33%
Storage GM% +800 bps

Coverage

- Expanding **Mid-market Field Coverage**
- Sales investments in **attractive markets**
- Optimizing sales account ratios
- Strengthening relationships with **certified VARs**

MB Sales Headcount Growth

FY11: 850
H1 FY12: 185



Our consumer GTM focus: targeting opportunities in attractive customer and market segments

Growth Market Focus

- Enhancing our **brand** position:
 - Brazil: #1
 - India: #1
 - China: Tied for #1
- Launching **XPS Streak 10 Pro** in China

Customer Segmentation

- Targeted **marketing communications**
 - Example: XPS 15z "**thinnest 15in PC on the planet**"
- Focus on **key segments**:
 - Example: XPS 15z targeting **Prosumers**

Profitability

- Strong **operational execution**
- **Disciplined pricing** approach
- Significant increase in **fixed configurations and ocean shipping** of eligible units

Customer Experience

- Brand simplification
 - **Reduced sub-brands by 50%**
 - Alienware, XPS & Inspiron
- **Multi-channel distribution**
- XPS field **quality improved 46%** in FY2011

Rev Growth (Y/Y)*
Brazil, China & India +33%
Other Growth Markets +27%

Q1 Share >\$800
+140 bps Q/Q

Q1 Profitability (Y/Y)
+400 bps

Customer Experience
75% Y/Y Improvement
in loyalty scores



Final thoughts

Our CSMB Business...

- ... positioned to use **small and medium business strength and mid-market focus** as competitive differentiation
- ...has turned it's focus to selling solutions and leveraging **IP portfolio**
- ...will continue to focus on **attractive segments of the market** (e.g., growth markets)
- ...has **improved profitability** in our Consumer business; we plan to sustain healthy profits in this business over the long-term





The power to do more

Q&A





The power to do more

Q&A





The power to do more

Thank you



Supplement non-GAAP reconciliation

DELL INC.

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

	Twelve Months Ended		
	TTM April 29, 2011	FY11 January 28, 2011	FY10 January 29, 2010
GAAP operating income	\$ 4,126	\$ 3,433	\$ 2,172
Non-GAAP adjustments:			
Amortization of intangibles	353	349	205
Severance and facility actions	91	129	481
Acquisition-related	131	98	116
Stock option accelerated vesting charges	-	-	-
Other ⁽¹⁾	-	140	-
Non-GAAP operating income	<u>\$ 4,701</u>	<u>\$ 4,149</u>	<u>\$ 2,974</u>
GAAP operating income	6.7%	5.6%	4.1%
Non-GAAP adjustment	<u>0.9%</u>	<u>1.1%</u>	<u>1.5%</u>
Non-GAAP operating income	<u>7.6%</u>	<u>6.7%</u>	<u>5.6%</u>

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

⁽¹⁾ Other for the fiscal year ended January 28, 2011 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.





The power to do more