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# Dell 1Q FY11 Performance Review

**Michael Dell**  
Chairman and CEO

**Brian Gladden**  
SVP and CFO

**Brad Anderson**  
SVP, Enterprise Product Group



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May 20<sup>th</sup>, 2010\*

\*Revised June 10, 2010 to reflect a \$100 million liability related to the potential settlement of the previously reported SEC investigation.

# Forward-Looking Statements

*Statements in this presentation that relate to future results and events (including statements about Dell's future financial and operating performance, expected component pricing, global currency volatility, anticipated customer demand and potential settlement of the SEC investigation) are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are based on Dell's current expectations. Actual results and events in future periods may differ materially from those expressed or implied by these forward-looking statements because of a number of risks, uncertainties and other factors, including: 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; and other risks and uncertainties discussed in Dell's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for its fiscal year ended January 29, 2010. Dell assumes no obligation to update its forward-looking statements.*

## **Non-GAAP Financial Measures**

*This presentation includes information about non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income, and non-GAAP earnings per share (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 non-GAAP financial measures and of free cash flow, which is also a non-GAAP measure, to the most directly comparable GAAP measures in the slides captioned "Supplemental Non-GAAP Measures." 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 and the press release furnished as an exhibit to Dell's Form 8-K/A filed on June 10, 2010. We encourage investors to review the reconciliation and the non-GAAP discussion in conjunction with our presentation of the non-GAAP financial measures.*



# Dell 1Q FY11 Earnings Review

**Brian Gladden**  
SVP and CFO



# Environment

- Continuation of demand improvement across the business
  - Enterprise solutions displaying continued strength as commercial customers increase purchases of servers & networking, storage and services
  - Double digit year-over-year revenue growth across all segments
  - Improving global demand, especially in commercial business
  - Strong BRIC country growth as revenue increased 60% year-over-year
- Expect incremental improvement as the PC refresh accelerates into 2H 2010
  - Gartner and IDC data points towards solid enterprise spending momentum
  - Optimistic commercial demand trends will continue to improve this year



# 1Q FY11 Non-GAAP Consolidated Results

## Consolidated P&L<sup>1</sup>

\$ in Millions – except Units and EPS

	1Q'10	4Q'10	1Q'11	Y/Y Growth	Seq Growth
<b>Units (thousands)</b>	9,096	11,119	10,933	20%	-2%
<b>Revenues</b>	12,342	14,900	14,874	21%	0%
<b>Gross Margin</b>	2,259	2,596	2,614	16%	1%
<i>GM % of revenue</i>	18.3%	17.4%	17.6%	-70 bps	20 bps
<b>Operating Expenses</b>	1,621	1,798	1,790	10%	0%
<i>Opex % of revenue</i>	13.1%	12.1%	12.0%	-110 bps	-10 bps
<b>Operating Income</b>	638	798	824	29%	3%
<i>OpInc % of revenue</i>	5.2%	5.4%	5.5%	30 bps	10 bps
<b>Income Before Taxes</b>	636	757	756	19%	0%
<b>Income Tax</b>	150	213	172	15%	-19%
<i>Effective Tax Rate %</i>	23.6%	28.1%	22.8%	-80 bps	-530 bps
<b>Net Income</b>	486	544	584	20%	7%
<i>NI % of revenue</i>	3.9%	3.7%	3.9%	0 bps	20 bps
<b>Diluted EPS</b>	\$0.25	\$0.28	\$0.30	20%	7%

<sup>1</sup>Percentages and ratios are calculated based on underlying data

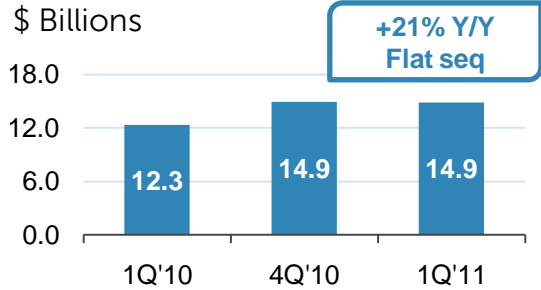
*Growth refers to year-over-year*

- Revenue up 21% to \$14.9B
- Gross margin 17.6%, down 70 bps
- Opex of \$1.8B or 12.0% of revenue
- Operating income 5.5%, up 30 bps
- Interest & Other expense of \$68M, driven by currency revaluation of certain balance sheet items
- Tax rate was 22.8%, driven by effective settlement of foreign tax audits. We anticipate our full year tax rate to be in the 27 percent range.
- EPS was 30 cents, up 20%

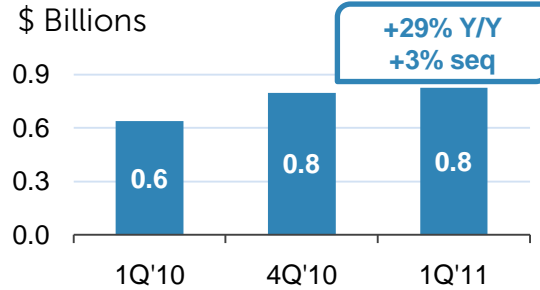


# 1Q FY11 Non-GAAP Key Performance Metrics

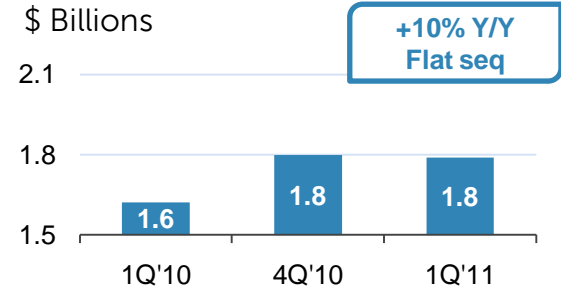
## Revenue



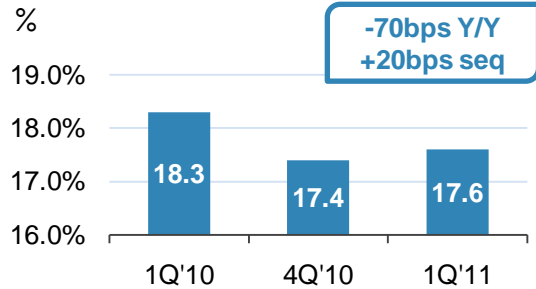
## Operating Income



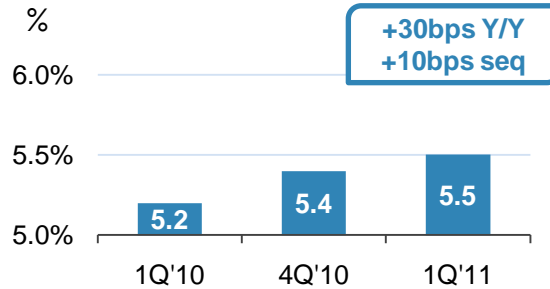
## Operating Expense



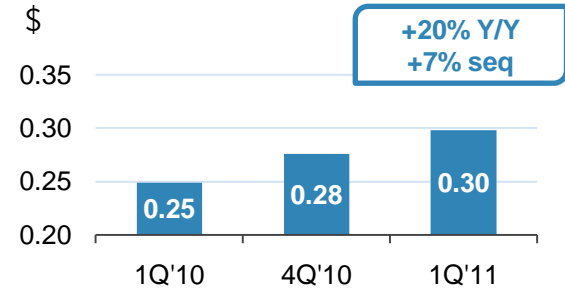
## Gross Margin



## Operating Income %

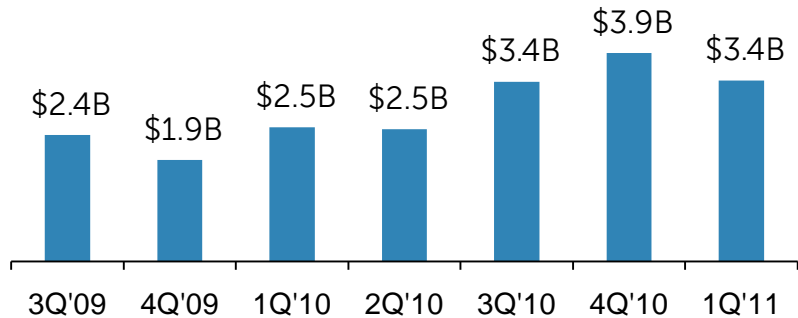


## EPS

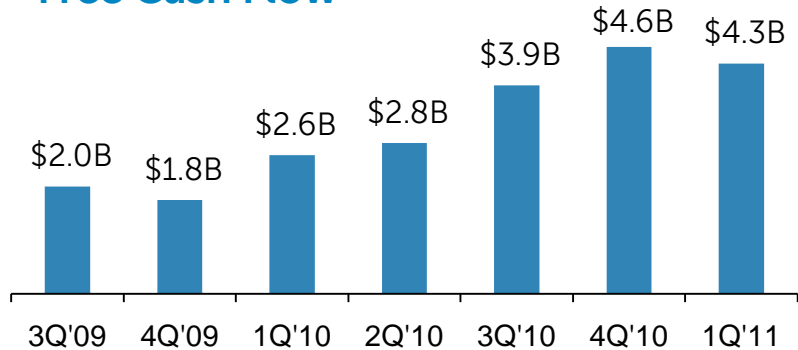


# Cash Flow Performance

## Cash Flow from Operations <sup>1</sup>



## Free Cash Flow <sup>1,2</sup>



- Solid working capital management,
- Q1 FY11 CFOps of \$238M and TTM of \$3.4B; TTM CFOps up +35% Y/Y
- Q1 FY11 FCF of \$400M and TTM of \$4.3B
- Lower Q1 cash flow a function of annual bonus payment and strategic inventory investments
- Share repurchase of \$200M, first since 3Q FY09
- We will continue to maintain strategic flexibility around targeted investment alternatives

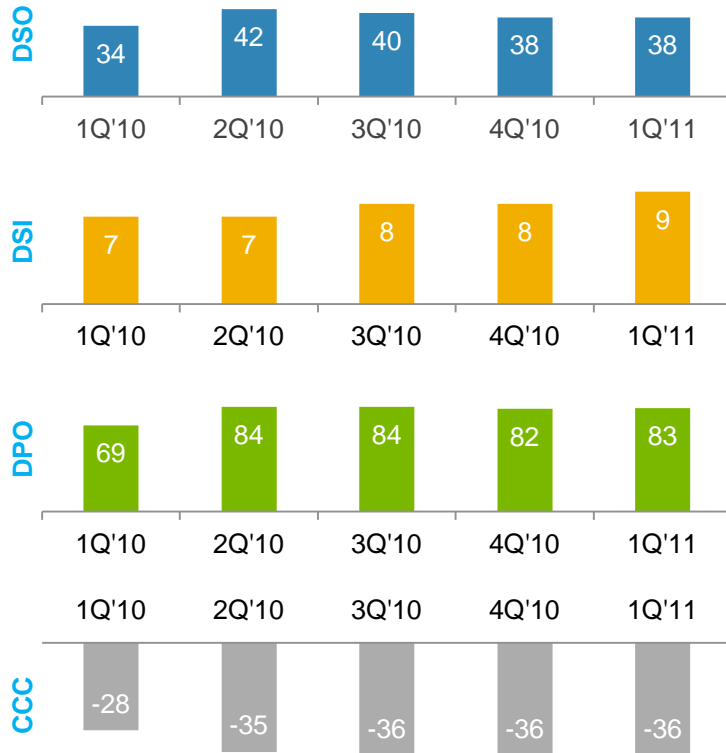
<sup>1</sup>Trailing Twelve Months

<sup>2</sup>Cash flow from operations less capital expenditures plus on balance-sheet fundings



# Working Capital

## Cash Conversion Cycle (CCC)



- CCC improved 8 days from prior-year period to negative -36 days vs. -28 days in 1Q'10, flat for the quarter
- Days sales flat at 38 days for the quarter
- Days inventory increased +1 day due to strategic inventory spend of \$130M
- Days payable growth of +1 day attributable to linearity
- Expect stable CCC of mid -30 days throughout the year

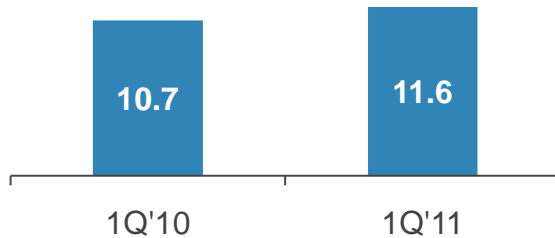




# Balance Sheet & Debt

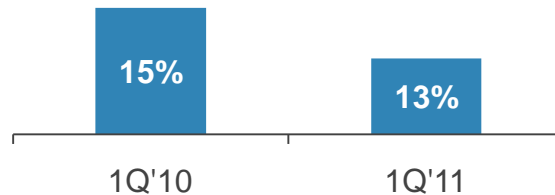
## Cash & Investments

\$ Billions



## Return on Total Capital <sup>1</sup>

%



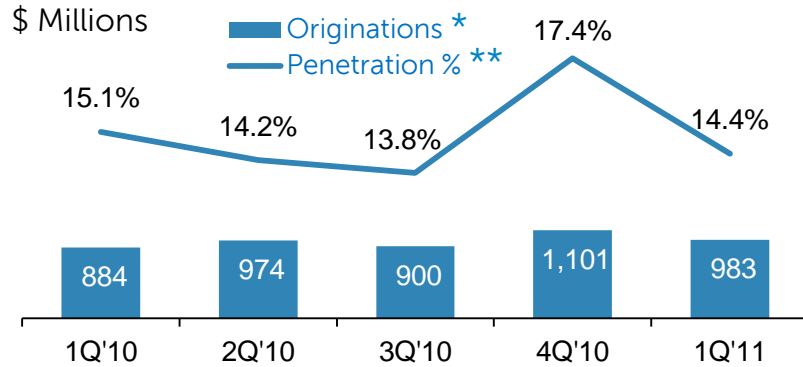
- \$11.6B in cash and investments – solid balance sheet
  - Continued focus on liquidity to pursue strategic alternatives
  - Resumed stock buyback program, expect modest repurchase through rest of year
- Commercial Paper
  - \$400M CP outstanding
  - Capacity available to issue up to \$2.0B
- Debt Issuance
  - No new long-term debt issuance in Q1
  - We will continue to monitor the overall capital and financial markets for possible favorable entry points

<sup>1</sup>Return on total capital is an annualized calculation of pre-tax earnings and interest expense over the quarter's average of LT liabilities and stockholders' equity



# Dell Financial Services

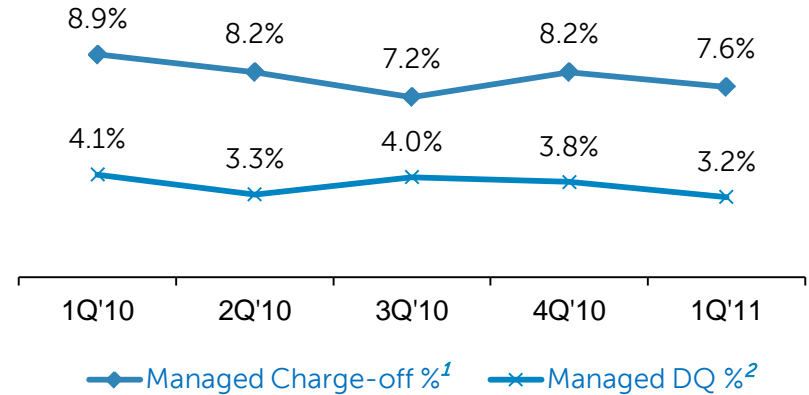
## U.S. New Financing Originations



\* Reflects seasonality of consumer business

\*\* % of U.S. Dell revenue that is financed by DFS

## Losses & Delinquencies



- 1Q Originations up 11% year over year driven by strong leasing demand in Large Enterprise
- Managed basis losses and delinquency improving; 1Q down from both the prior quarter & the prior year
- At the beginning of the quarter we consolidated two commercial based conduits in accordance with recent changes in U.S. GAAP resulting in an increase to net financing receivables and debt of \$609 million and \$624 million

### Definitions

- ❖ Managed basis statistics reflect all customer receivables on Dell's balance sheet including securitized receivables consolidated in 1Q in accordance with new accounting guidance on variable interest entities

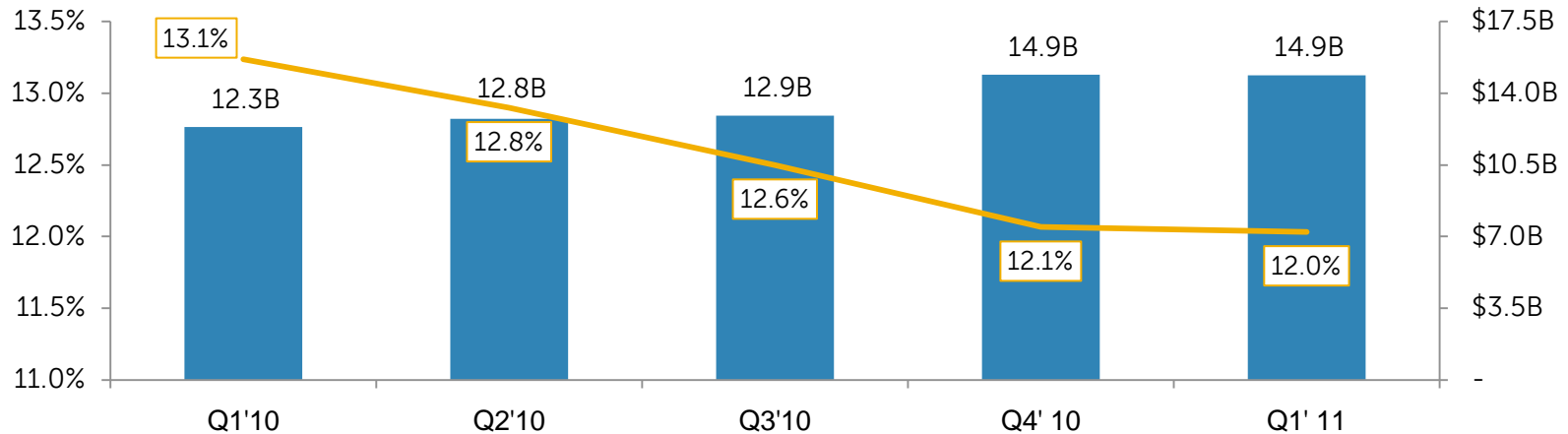
<sup>1</sup>MCO equals net principal charge-offs for the quarter divided by average managed assets for the quarter

<sup>2</sup>MDQ is calculated as 60 day assets plus delinquent assets at quarter end divided by quarter end managed assets



# Operating Expense Management

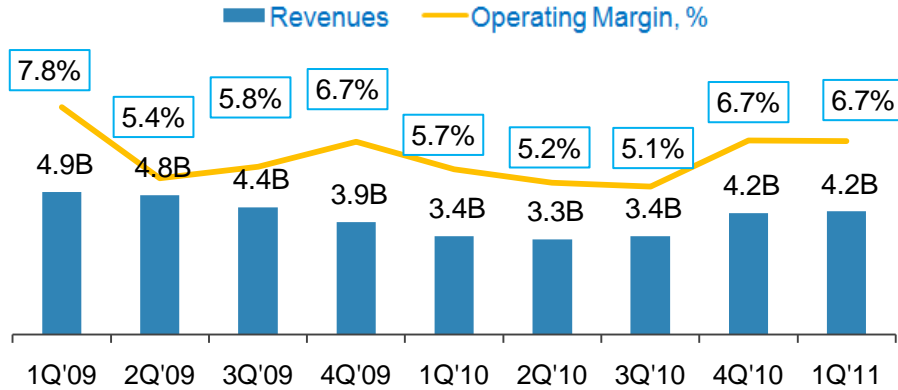
## Revenue & Non-GAAP Opex Trends



- Q1 Non-GAAP Opex as a percentage of revenue declined 110bps Y/Y
- Remain focused on scaling operating expense as the demand environment improves
- Will continue to make key investments to support our focus on enterprise solutions growth



# 1Q FY11 Large Enterprise Revenue & Operating Income

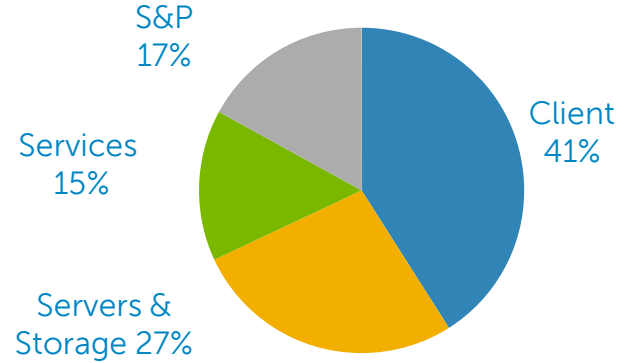


## Large Enterprise P&L

\$ in Millions

	1Q'10	2Q'10	3Q'10	4Q'10	1Q'11
Revenues	3,400	3,285	3,403	4,197	4,246
Sequential Growth, %	-13%	-3%	4%	23%	1%
Y/Y Growth, %	-31%	-32%	-23%	8%	25%
Operating Income	192	172	174	281	283
Operating Margin, %	5.7%	5.2%	5.1%	6.7%	6.7%
Sequential Growth, bps	-100 bps	-50 bps	-10 bps	160 bps	0 bps
Y/Y Growth, bps	-210 bps	-20 bps	-70 bps	0 bps	100 bps

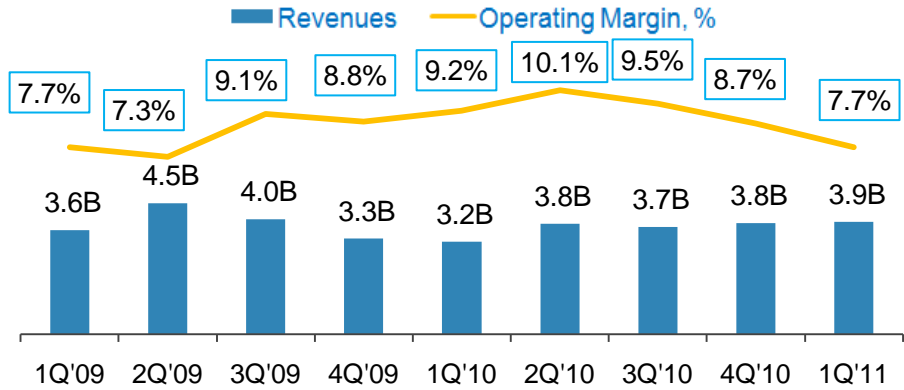
## Revenue Mix



- Revenues of \$4.2B (up +25% Y/Y)
- Operating income was \$283M and up +100 bps Y/Y to 6.7%
- Total units increased +28% Y/Y, driven by double digit growth in client, servers and networking
- Server revenue up 61% Y/Y



# 1Q FY11 Public Revenue & Operating Income

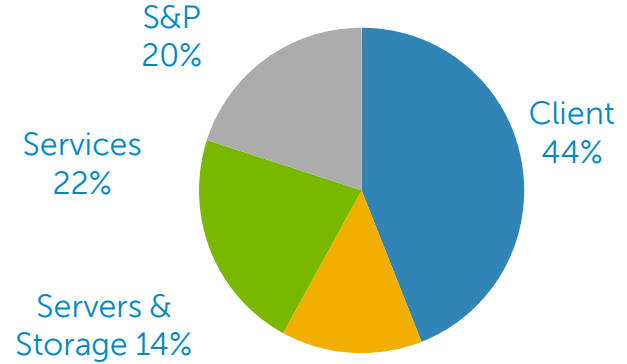


## Public P&L

\$ in Millions

	1Q'10	2Q'10	3Q'10	4Q'10	1Q'11
Revenues	3,171	3,798	3,695	3,820	3,856
Sequential Growth, %	-4%	20%	-3%	3%	1%
Y/Y Growth, %	-11%	-16%	-7%	16%	22%
Operating Income	293	383	352	333	298
Operating Margin, %	9.2%	10.1%	9.5%	8.7%	7.7%
Sequential Growth, bps	40 bps	90 bps	-60 bps	-80 bps	-100 bps
Y/Y Growth, bps	150 bps	280 bps	40 bps	-10 bps	-150 bps

## Revenue Mix

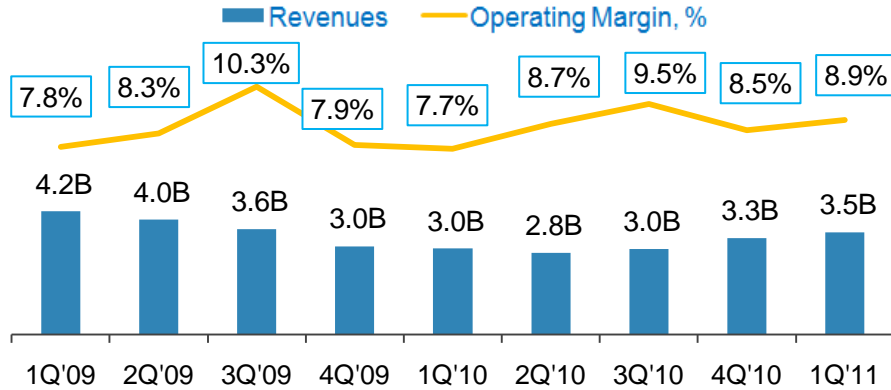


- Revenues of \$3.9B (up +22% Y/Y); including the impact of Perot
- Operating income was \$298M, decreasing -100 bps seq to 7.7%
- Muted demand in U.S. Federal and EMEA
- Services revenue up +122% Y/Y driven by Perot



# 1Q FY11 SMB

## Revenue & Operating Income

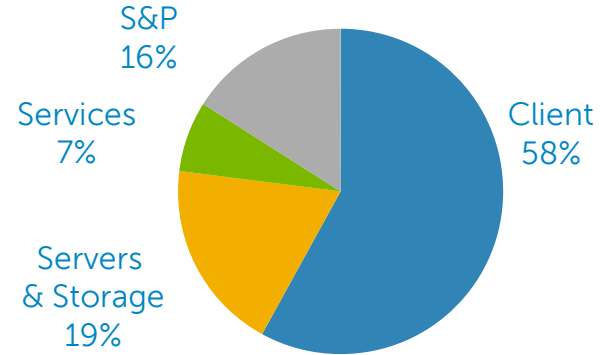


## SMB P&L

\$ in Millions

	1Q'10	2Q'10	3Q'10	4Q'10	1Q'11
Revenues	2,967	2,820	2,956	3,336	3,524
Sequential Growth, %	-2%	-5%	5%	13%	6%
Y/Y Growth, %	-30%	-29%	-19%	10%	19%
Operating Income	230	246	282	282	313
Operating Margin, %	7.7%	8.7%	9.5%	8.5%	8.9%
Sequential Growth, bps	-20 bps	100 bps	80 bps	-100 bps	40 bps
Y/Y Growth, bps	-10 bps	40 bps	-80 bps	60 bps	120 bps

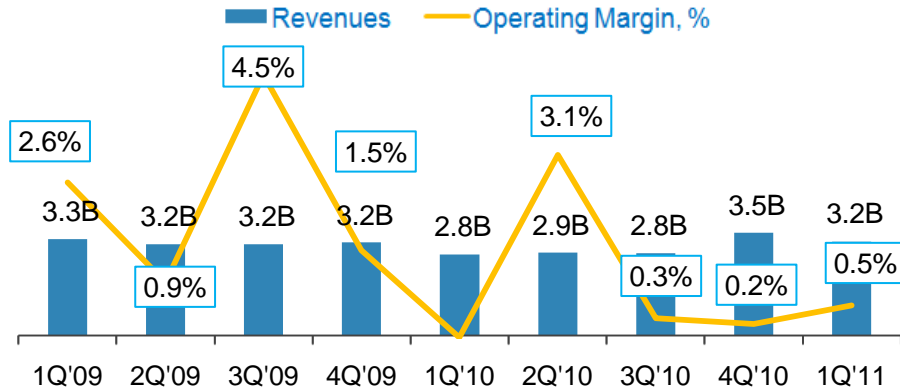
## Revenue Mix



- Revenues of \$3.5B (up +19% Y/Y)
- Operating income was \$313M, and increased +40bps seq to 8.9%
- Double digit unit growth in servers, networking and client on year-over-year basis



# 1Q FY11 Consumer Revenue & Operating Income

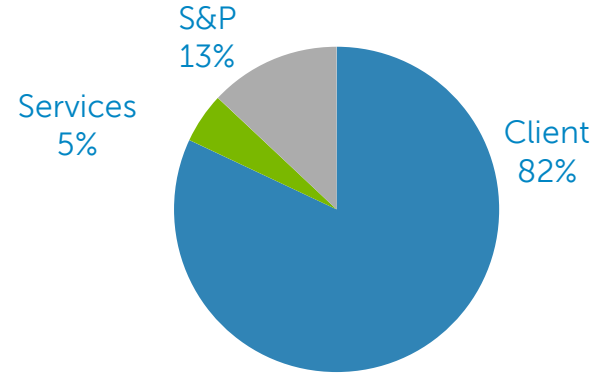


## Consumer P&L

\$ in Millions

	1Q'10	2Q'10	3Q'10	4Q'10	1Q'11
Revenues	2,804	2,861	2,842	3,547	3,248
Sequential Growth, %	-14%	2%	-1%	25%	-8%
Y/Y Growth, %	-16%	-9%	-10%	11%	16%
Operating Income	(1)	89	10	9	17
Operating Margin, %	0.0%	3.1%	0.3%	0.2%	0.5%
Sequential Growth, bps	-150 bps	310 bps	-280 bps	-10 bps	30 bps
Y/Y Growth, bps	-260 bps	220 bps	-420 bps	-130 bps	50 bps

## Revenue Mix

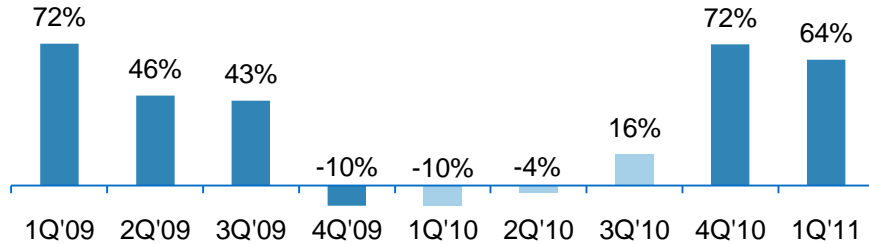


- Revenues of \$3.2B (up +16% Y/Y)
- Operating income of \$17M
- Total units increased +20% Y/Y and mobility units up +29% Y/Y

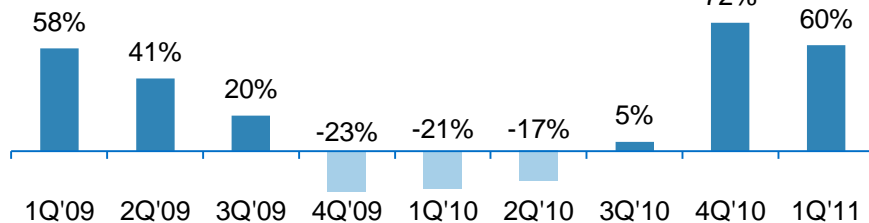


# 1Q FY11 BRIC Countries

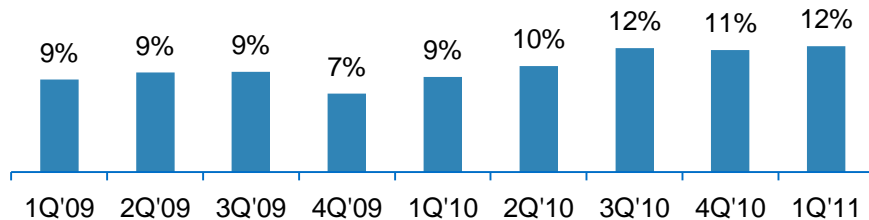
## Unit Growth Y/Y, %



## Revenue Growth Y/Y, %



## % of Dell Total Revenue



- Our total BRIC countries revenue grew +60% from the year ago period
- BRIC countries now represent nearly 12% of Dell's total revenue
- India and Brazil year-over-year revenue increased +90% and +81%, respectively
- Revenue outside of the U.S. was 48% of our total mix





# 1Q FY11 Corporate Responsibility

## Key Results

1. Dell continues to rank high on Corporate Responsibility's 100 Best Corporate Citizens list for 2010
2. Dell and our employees respond generously to the Haiti relief effort
3. Launched a new Human Rights and Labor Policy statement, upholding the protection of human rights of all Dell workers
4. Reinforcing Dell's commitment to our communities by expanding diversity and promoting inclusion

## Accomplishments

- ▶ Dell now ranks #38 overall, ranked #1 in climate while ranked #27 in philanthropy
- ▶ In Q1, Dell donated nearly \$800K of products and corporate funds, employees contributed over \$250K
- ▶ Dell supports and respects the principles proclaimed in the Universal Declaration of Human Rights issued by the U.N.
- ▶ Dell selected as one of America's Top Corporations for Women's Business Enterprises<sup>1</sup> and named a Top 50 organization for multicultural business opportunity<sup>2</sup>

<sup>1</sup> Women's Business Enterprise National Council, "America's Top Corporations for Women's Business Enterprises for 2009"

<sup>2</sup> Diversity.com, "Top 50 Organizations for Multicultural Business Opportunities"



# Dell 1Q FY11 Enterprise Solutions

**Brad Anderson**  
SVP, Enterprise Product Group



# 1Q FY11 Product Summary

## Product Revenue Trends

LOB	1Q'10	2Q'10	3Q'10	4Q'10	1Q'11
Servers	1,286	1,403	1,539	1,804	1,785
Storage	534	551	508	599	554
Services	1,238	1,218	1,244	1,922	1,891
S&P	2,246	2,382	2,394	2,477	2,496
Mobility	3,875	3,891	4,191	4,653	4,563
Desktop PCs	3,163	3,319	3,020	3,445	3,585
<b>Total</b>	<b>12,342</b>	<b>12,764</b>	<b>12,896</b>	<b>14,900</b>	<b>14,874</b>
Revenue Trends Q/Q					
Servers	-10%	9%	10%	17%	-1%
Storage	-24%	3%	-8%	18%	-8%
Services	-3%	-2%	2%	55%	-2%
S&P	-10%	6%	1%	3%	1%
Mobility	-3%	0%	8%	11%	-2%
Desktop PCs	-11%	5%	-9%	14%	4%
<b>Total</b>	<b>-8%</b>	<b>3%</b>	<b>1%</b>	<b>16%</b>	<b>0%</b>
Revenue Trends Y/Y					
Servers	-25%	-19%	-6%	26%	39%
Storage	-17%	-20%	-19%	-15%	4%
Services	-8%	-11%	-9%	51%	53%
S&P	-18%	-15%	-7%	0%	11%
Mobility	-20%	-21%	-14%	16%	18%
Desktop PCs	-34%	-33%	-26%	-3%	13%
<b>Total</b>	<b>-23%</b>	<b>-22%</b>	<b>-15%</b>	<b>11%</b>	<b>21%</b>

*Growth refers to year-over-year*

- Server revenue was up +39% on 30% unit growth
- Storage revenue was up +4%, with EqualLogic revenue up +78%
- Services revenue grew 53%, deferred revenue balance up +8% to \$6.1B
- Software and peripherals revenue was up +11%
- Mobility revenue grew 18%, units were up +27%
- Desktop revenue increased +13%, units were up +12%



# 1Q FY11 Enterprise Products

## Delivering Innovative, Differentiated Platforms

Dell PowerEdge R910



Dell DX Object Storage Platform



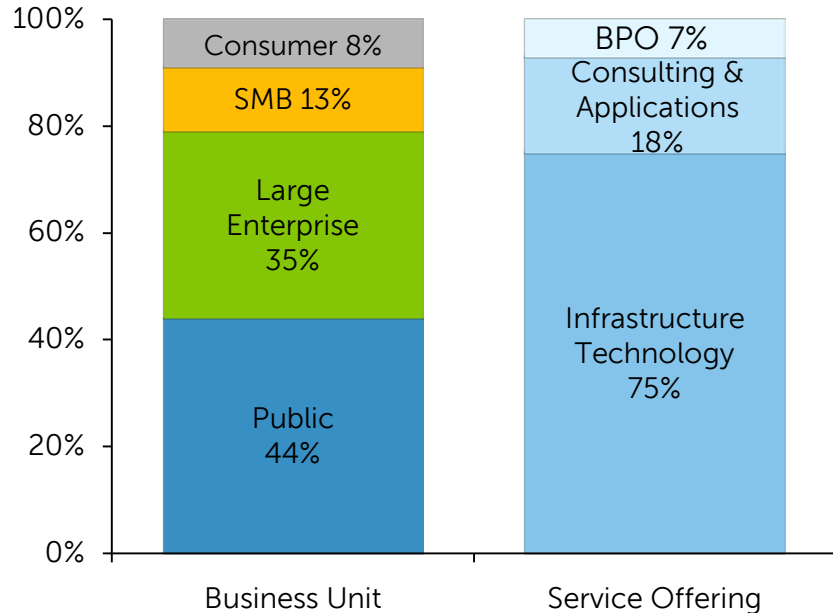
- Continue to innovate and upgrade our line of server products (Nehalem EX, PowerEdge-C)
- Launched the Dell PowerEdge R910, the first production server equipped with Xeon 7500 processors (Nehalem-EX)– pre-integrated with Vmware and ideal for RISC/Unix migration to x86 architecture
- Delivering Intelligent Data Management solutions with EqualLogic, PowerVault and Dell|EMC
- Exanet and KACE acquisitions provide entry points for file storage and ease-of-use systems management
- Launched first phase of Dell-branded Brocade switches, with phase two Brocade and phase one of Juniper products in 2H 2010



# 1Q FY11 Dell Services

Services Business up 53% to \$1.9B

## Revenue Composition



- Announced the creation of Dell Services, as the integration of Perot into our commercial solutions business remains on target
- Combined presence allows us to win additional business by competing for a broader array of service contracts
- Identified 300 synergy pipeline opportunities
- Both discretionary and outsourcing contract flow is gaining momentum
- Ranked #1 provider of IT Services in the latest worldwide healthcare report<sup>1</sup>

<sup>1</sup> Gartner, "IT Services Market Metrics Worldwide Market Share: Database" April 2010



# Dell 1Q FY11 Outlook

**Brian Gladden**  
SVP and CFO



# Outlook

- The corporate client refresh is just beginning and we are excited about the upside potential as commercial customers begin to adopt Windows 7
- For Q2, we expect normal seasonality, as our state and local government, consumer and education businesses improve; with seasonally lower demand from large customers in the U.S. and Europe
- Net for Dell, we expect a normal seasonal pick-up in the low single digits into the next quarter
- We expect some components to remain in tight supply for the next couple of quarters
- Expect global currencies to remain somewhat volatile
- Will continue to focus on Opex management while making targeted investments to grow our solutions business



# Dell 1Q FY11 Operating Agenda and Strategy

**Michael Dell**  
Chairman and CEO

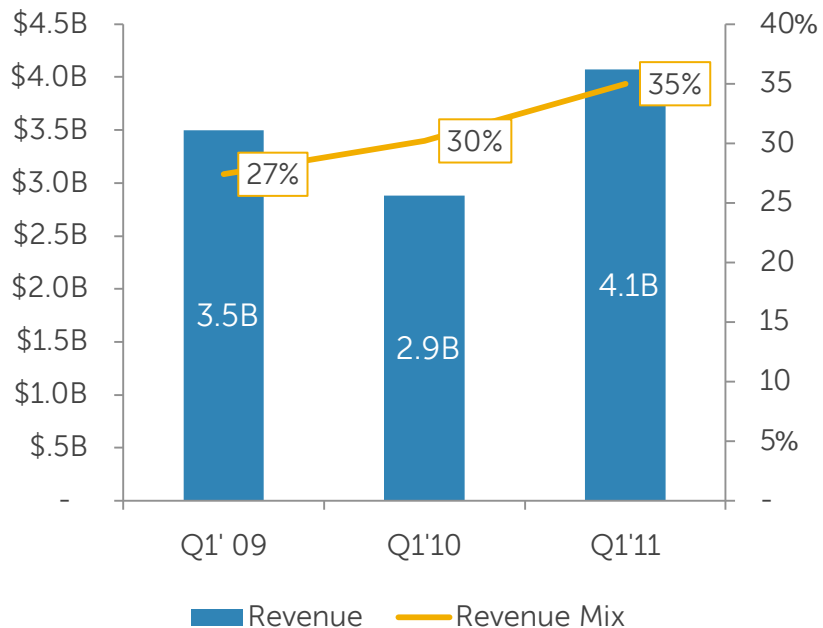




# Enterprise Focus

## Strong Momentum in Enterprise Solutions and Services

### Commercial Solutions Mix



- Overall Dell solutions revenue on \$17B run rate with attractive margin dynamics
- Strong solutions growth as commercial customers increase purchases of servers & networking, storage and services
- In commercial, solutions revenue up 41% Y/Y to 35% of revenue -- a 5 point mix shift Y/Y and 8 points from two years ago
- Delivering new products and solutions aligned with differentiated enterprise strategy
- Powerful refresh cycle driven by server virtualization and Windows 7 adoption



# Dell 1Q FY11

## Supplemental Non-GAAP Measures



# Supplemental Non-GAAP Measures

	1Q'09	2Q'09	3Q'09	4Q'09	1Q'10	2Q'10	3Q'10	4Q'10	1Q'11
<b>GAAP</b>									
Net Income	784	616	727	351	290	472	337	334	341
EPS	\$0.38	\$0.31	\$0.37	\$0.18	\$0.15	\$0.24	\$0.17	\$0.17	\$0.17
<b>Adjustments</b>									
Income before Income Taxes									
Amortization of Intangibles	26	27	26	26	39	40	40	86	88
Severance & Facility Action Costs	106	25	17	134	185	87	123	86	57
Acquisition Related	-	-	-	-	-	-	-	116	20
Other <sup>1)</sup>	-	-	-	104	-	-	-	-	140
Aggregate Tax-adjustments	(27)	(15)	(14)	(61)	(28)	(24)	(51)	(78)	(62)
EPS - Diluted	\$0.05	\$0.02	\$0.01	\$0.11	\$0.10	\$0.05	\$0.06	\$0.11	\$0.13
<b>Non-GAAP</b>									
Net Income	889	653	756	554	486	575	449	544	584
EPS	\$0.43	\$0.33	\$0.38	\$0.29	\$0.25	\$0.29	\$0.23	\$0.28	\$0.30

1) Stock Option Accelerated Vesting Charges of \$104M (Q409), \$40M Legal Settlement, and \$100M accrual for potential settlement with SEC



# Supplemental Non-GAAP Measures

	Q4'08	Q1'09	Q2'09	Q3'09	Q4'09	Q1'10	Q2'10	Q3'10	Q4'10	Q1'11
<b><u>GAAP gross margin</u></b>	2,994	2,965	2,827	2,853	2,312	2,168	2,391	2,233	2,469	2,516
Non-GAAP adjustments:										
Amortization of intangibles	2	14	15	15	15	26	27	27	71	68
Severance and facility actions	7	24	11	8	103	65	14	102	55	29
Acquisition-related	-	-	-	-	-	-	-	-	1	1
Other	-	-	-	-	16	-	-	-	-	-
<b><u>Non-GAAP gross margin</u></b>	3,003	3,003	2,853	2,876	2,446	2,259	2,432	2,362	2,596	2,614
<i><u>Percentage of Total Net Revenue:</u></i>										
GAAP gross margin	18.8%	18.4%	17.2%	18.8%	17.2%	17.6%	18.7%	17.3%	16.6%	16.9%
Non-GAAP adjustment	0.0%	0.3%	0.2%	0.2%	1.0%	0.7%	0.4%	1.0%	0.8%	0.7%
Non-GAAP gross margin	18.8%	18.7%	17.4%	19.0%	18.2%	18.3%	19.1%	18.3%	17.4%	17.6%

*"Other" includes stock option accelerated vesting charges, in-process research and development along with a legal settlement*



# Supplemental Non-GAAP Measures

	Q4'08	Q1'09	Q2'09	Q3'09	Q4'09	Q1'10	Q2'10	Q3'10	Q4'10	Q1'11
<b><u>GAAP operating expenses</u></b>	2,218	2,066	2,008	1,838	1,855	1,754	1,720	1,656	1,959	1,997
Non-GAAP adjustments:										
Amortization of intangibles	(9)	(12)	(12)	(11)	(11)	(13)	(13)	(13)	(15)	(20)
Severance and facility actions	(46)	(82)	(14)	(9)	(31)	(120)	(73)	(21)	(31)	(28)
Acquisition-related	-	-	-	-	-	-	-	-	(115)	(19)
Other	(83)	-	-	-	(88)	-	-	-	-	(140)
<b><u>Non-GAAP operating expenses</u></b>	2,080	1,972	1,982	1,818	1,725	1,621	1,634	1,622	1,798	1,790
<i><u>Percentage of Total Net Revenue:</u></i>										
GAAP operating expenses	13.9%	12.9%	12.2%	12.1%	13.8%	14.2%	13.5%	12.8%	13.2%	13.4%
Non-GAAP adjustment	-0.9%	-0.6%	-0.1%	-0.1%	-1.0%	-1.1%	-0.7%	-0.2%	-1.1%	-1.4%
Non-GAAP operating expenses	13.0%	12.3%	12.1%	12.0%	12.8%	13.1%	12.8%	12.6%	12.1%	12.0%

"Other" includes stock option accelerated vesting charges, in-process research and development, legal settlement and accrual for potential settlement with SEC



# Supplemental Non-GAAP Measures

	Q4'08	Q1'09	Q2'09	Q3'09	Q4'09	Q1'10	Q2'10	Q3'10	Q4'10	Q1'11
<b><u>GAAP operating income</u></b>	776	899	819	1,015	457	414	671	577	510	519
Non-GAAP adjustments:										
Amortization of intangibles	11	26	27	26	26	39	40	40	86	88
Severance and facility actions	53	106	25	17	134	185	87	123	86	57
Acquisition-related	-	-	-	-	-	-	-	-	116	20
Other	83	-	-	-	104	-	-	-	-	140
<b><u>Non-GAAP operating income</u></b>	923	1,031	871	1,058	721	638	798	740	798	824
<i><u>Percentage of Total Net Revenue:</u></i>										
GAAP operating margin	4.9%	5.5%	5.0%	6.7%	3.4%	3.4%	5.2%	4.5%	3.4%	3.5%
Non-GAAP adjustment	0.9%	0.9%	0.3%	0.3%	2.0%	1.8%	1.1%	1.2%	2.0%	2.0%
Non-GAAP operating margin	5.8%	6.4%	5.3%	7.0%	5.4%	5.2%	6.3%	5.7%	5.4%	5.5%

*"Other" includes stock option accelerated vesting charges, in-process research and development, legal settlement and accrual for potential settlement with SEC*



# Supplemental Non-GAAP Measures

<b><u>Net TTM Free Cash Flow</u></b>	Q2'09	Q3'09	Q4'09	Q1'10	Q2'10	Q3'10	Q4'10	Q1'11
Cash flow from operations	3,446	2,362	1,894	2,512	2,480	3,367	3,906	3,383
Capital expenditure	(631)	(596)	(440)	(398)	(355)	(288)	(367)	(333)
On balance sheet financing receivables	257	238	302	483	700	830	1,085	1,266
<b>Net TTM Free Cash Flow</b>	<b>\$ 3,072</b>	<b>\$2,004</b>	<b>\$ 1,756</b>	<b>\$ 2,597</b>	<b>\$ 2,825</b>	<b>\$3,909</b>	<b>\$ 4,624</b>	<b>\$4,316</b>

