

DELL INC.

Condensed Consolidated Statement of Financial Position

(in millions)

(unaudited)

Assets:

Cash & cash equivalents
Short-term investments
Accounts receivable, net
Financing receivables, net
Inventories, net
Other
Total current assets
PP&E, net
Investments
Long-term financing receivable, net
Other non-current assets

Total assets:

Liabilities & Stockholders Equity:

Short-term borrowings
Accounts payable
Accrued and other
Short-term deferred services revenue
Total current liabilities
Long-term debt
Other non-current liabilities
Long-term deferred services revenue

Total liabilities:

Redeemable common stock and capital in excess of par

Stockholder's equity:

Total liabilities & equity:

	Prior Quarter Results				
	Q1-FY11	Q2-FY11	Q3-FY11	Q4-FY11	Q1-FY12
\$ 10,255	\$ 11,694	\$ 12,889	\$ 13,913	\$ 14,061	
627	744	492	452	418	
5,880	6,565	6,407	6,493	6,196	
3,221	3,272	3,588	3,643	3,205	
1,182	1,372	1,294	1,301	1,276	
3,619	3,562	3,118	3,219	3,217	
24,784	27,209	27,788	29,021	28,373	
2,049	1,980	1,948	1,953	1,987	
714	633	662	704	762	
528	622	709	799	1,123	
6,166	6,196	6,047	6,122	7,543	
34,241	36,640	37,154	38,599	39,788	
1,079	1,627	826	851	816	
11,402	12,465	11,278	11,293	10,442	
3,549	3,812	3,898	4,181	3,590	
2,950	3,009	3,093	3,158	3,282	
18,980	20,913	19,095	19,483	18,130	
3,582	3,623	5,168	5,146	6,794	
2,607	2,632	2,631	2,686	2,886	
3,194	3,311	3,447	3,518	3,608	
28,363	30,479	30,341	30,833	31,418	
-	-	-	-	-	
5,878	6,161	6,813	7,766	8,370	
34,241	36,640	37,154	38,599	39,788	

	Prior Annual Results		
	FY09	FY10	FY11
\$ 8,352	\$ 10,635	\$ 13,913	
740	373	452	
4,731	5,837	6,493	
1,712	2,706	3,643	
867	1,051	1,301	
3,749	3,643	3,219	
20,151	24,245	29,021	
2,277	2,181	1,953	
454	781	704	
500	332	799	
3,118	6,113	6,122	
26,500	33,652	38,599	
113	663	851	
8,309	11,373	11,293	
3,736	3,884	4,181	
2,701	3,040	3,158	
14,859	18,960	19,483	
1,898	3,417	5,146	
2,472	2,605	2,686	
3,000	3,029	3,518	
22,229	28,011	30,833	
-	-	-	
4,271	5,641	7,766	
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
Deferred income taxes
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				
	Q1-FY11	Q2-FY11	Q3-FY11	Q4-FY11	Q1-FY12
	\$ 341	\$ 545	\$ 822	\$ 927	\$ 945
	247	264	234	225	216
	76	80	69	107	99
	30	7	(14)	(27)	-
	(31)	(24)	20	(10)	(63)
	122	95	82	83	47
	-	4	-	22	(5)
	(119)	(777)	308	(119)	471
	(208)	(205)	(46)	(250)	21
	(132)	(186)	77	(7)	38
	69	(33)	707	(227)	110
	22	1,109	(1,306)	24	(925)
	72	193	137	149	191
	(251)	263	(177)	586	(680)
	238	1,335	913	1,483	465
	(350)	(713)	(123)	(174)	(240)
	169	669	346	174	222
	(46)	(145)	(93)	(160)	(137)
	-	18	-	-	12
	-	-	(430)	-	-
	-	-	20	49	67
	(133)	(89)	(24)	(130)	(1,473)
	(360)	(260)	(304)	(241)	(1,549)
	(200)	(200)	(200)	(200)	(450)
	7	2	2	1	10
	234	490	(900)	-	-
	268	341	1,945	515	1,930
	(566)	(253)	(296)	(515)	(323)
	3	(1)	-	-	3
	(254)	379	551	(199)	1,170
	(4)	(15)	35	(19)	62
	(380)	1,439	1,195	1,024	148
	10,635	10,255	11,694	12,889	13,913
	10,255	11,694	12,889	13,913	14,061

	Prior Annual Results		
	FY09	FY10 ¹	FY11
	\$ 2,478	\$ 1,433	\$ 2,635
	769	852	970
	418	312	332
	(115)	59	(4)
	86	(52)	(45)
	310	429	382
	34	102	26
	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)

Liquidity:

Current ratio

Quick ratio

Cash conversion cycle^d

Days supply in inventory

Days of sales outstanding^a

Days in accounts payable

Cash flow (millions):

Cash flow from operations

Net free cash flows^b

Cash and investments

Shares repurchased (millions)

Profitability:

Return on total capital^c

Gross margin

Opex as percentage of revenue

Operating margin

Income tax rate

Net profit margin

WAS -- Diluted

EPS (diluted)

Growth:

Units Y/Y

Revenue Y/Y:

Global Large Enterprise

Global Public

Global Small and Medium Business

Global Consumer

% of Total Revenue by Business Unit:

Global Large Enterprise

Global Public

Global Small and Medium Business

Global Consumer

% of Total Revenue by Product:

Servers and Networking

Storage

Services

Software & Peripherals

Mobility

Desktop PCs

EPS Y/Y (diluted)

	Prior Quarter Results					FY09		
	Q1-FY11	Q2-FY11	Q3-FY11	Q4-FY11	Q1-FY12	FY09	FY10	FY11
Current ratio	1.31	1.30	1.46	1.49	1.57	1.36	1.28	1.49
Quick ratio	1.24	1.24	1.39	1.42	1.49	1.30	1.22	1.42
Cash conversion cycle^d	(36)	(36)	(32)	(33)	(31)	(25)	(36)	(33)
Days supply in inventory	9	10	9	9	10	7	8	9
Days of sales outstanding ^a	38	41	41	40	40	35	38	40
Days in accounts payable	83	87	82	82	81	67	82	82
Cash flow (millions):								
Cash flow from operations	\$ 238	\$ 1,335	\$ 913	\$ 1,483	\$ 465	\$1,894	\$3,906	\$3,969
Net free cash flows ^b	\$ 400	\$ 1,395	\$ 866	\$ 1,573	\$ 307	\$1,756	\$4,624	\$4,234
Cash and investments	\$11,596	\$13,071	\$14,043	\$15,069	\$15,241	\$9,546	\$11,789	\$15,069
Shares repurchased (millions)	12	14	16	15	31	133	-	57
Return on total capital^c	13%	19%	27%	25%	24%	33%	17%	21%
Gross margin	16.9%	16.6%	19.5%	21.0%	22.9%	17.9%	17.5%	18.5%
Opex as percentage of revenue	13.4%	11.8%	12.8%	13.7%	14.8%	12.7%	13.4%	12.9%
Operating margin	3.5%	4.8%	6.7%	7.3%	8.1%	5.2%	4.1%	5.6%
Income tax rate	24.4%	21.7%	23.6%	17.8%	19.2%	25.4%	29.2%	21.3%
Net profit margin	2.3%	3.5%	5.3%	5.9%	6.3%	4.1%	2.7%	4.3%
WAS -- Diluted	1,973	1,960	1,949	1,938	1,923	1,986	1,962	1,955
EPS (diluted)	\$ 0.17	\$ 0.28	\$ 0.42	\$ 0.48	\$ 0.49	\$1.25	\$0.73	\$1.35
Units Y/Y	20%	16%	11%	3%	0%	7%	-6%	12%
Revenue Y/Y:	21%	22%	19%	5%	1%	0%	-13%	16%
Global Large Enterprise	25%	38%	27%	12%	5%			
Global Public	22%	21%	20%	4%	-2%			
Global Small and Medium Business	19%	25%	24%	12%	7%			
Global Consumer	16%	0%	4%	-8%	-7%			
% of Total Revenue by Business Unit:								
Global Large Enterprise	28%	29%	28%	30%	30%	30%	27%	29%
Global Public	26%	30%	29%	25%	25%	25%	27%	27%
Global Small and Medium Business	24%	23%	24%	24%	25%	24%	23%	24%
Global Consumer	22%	18%	19%	21%	20%	21%	23%	20%
% of Total Revenue by Product:								
Servers and Networking	12%	12%	12%	13%	13%	11%	11%	12%
Storage	4%	4%	3%	4%	3%	4%	4%	4%
Services	13%	12%	12%	12%	13%	9%	11%	12%
Software & Peripherals	17%	17%	17%	17%	17%	17%	18%	17%
Mobility	30%	30%	32%	31%	32%	30%	31%	31%
Desktop PCs	24%	25%	24%	23%	22%	29%	25%	24%
EPS Y/Y (diluted)	47%	17%	147%	182%	188%	-5%	-42%	85%

^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)

	Prior Quarter Results					Prior Annual Results		
	Q1-FY11	Q2-FY11	Q3-FY11	Q4-FY11	Q1-FY12	FY09	FY10	FY11
Income Statement:								
Net revenue	\$ 14,874	\$ 15,534	\$ 15,394	\$ 15,692	\$ 15,017	\$ 61,101	\$ 52,902	\$ 61,494
Sequential Growth	0%	4%	-1%	2%	-4%			
Y/Y Growth	21%	22%	19%	5%	1%	0%	-13%	16%
Cost of revenue	12,358	12,948	12,391	12,401	11,585	50,144	43,641	50,098
Gross margin	2,516	2,586	3,003	3,291	3,432	10,957	9,261	11,396
SG&A	1,830	1,679	1,816	1,977	2,025	7,102	6,465	7,302
R&D	167	162	163	169	195	665	624	661
Total operating expenses	1,997	1,841	1,979	2,146	2,220	7,767	7,089	7,963
Operating income	519	745	1,024	1,145	1,212	3,190	2,172	3,433
Investment and other income, net	(68)	(49)	52	(18)	(42)	134	(148)	(83)
Income before taxes	451	696	1,076	1,127	1,170	3,324	2,024	3,350
Income tax provision	110	151	254	200	225	846	591	715
Net income	341	545	822	927	945	2,478	1,433	2,635
Sequential Growth	2%	60%	51%	13%	2%			
Y/Y Growth	18%	16%	144%	177%	177%	-16%	-42%	84%
EPS:								
Basic	\$ 0.17	\$ 0.28	\$ 0.42	\$ 0.48	\$ 0.50	\$ 1.25	\$ 0.73	\$ 1.36
Diluted	\$ 0.17	\$ 0.28	\$ 0.42	\$ 0.48	\$ 0.49	\$ 1.25	\$ 0.73	\$ 1.35
Weighted Average Shares Outstanding:								
Basic	1,961	1,952	1,939	1,924	1,908	1,980	1,954	1,944
Diluted	1,973	1,960	1,949	1,938	1,923	1,986	1,962	1,955
Percentage of Net Revenue:								
Gross margin	16.9%	16.6%	19.5%	21.0%	22.9%	17.9%	17.5%	18.5%
Selling, general and administrative	12.3%	10.8%	11.8%	12.6%	13.5%	11.6%	12.2%	11.9%
Research, development and engineering	1.1%	1.0%	1.0%	1.1%	1.3%	1.1%	1.2%	1.0%
Total operating expenses	13.4%	11.8%	12.8%	13.7%	14.8%	12.7%	13.4%	12.9%
Operating income	3.5%	4.8%	6.7%	7.3%	8.1%	5.2%	4.1%	5.6%
Income before income taxes	3.0%	4.5%	7.0%	7.2%	7.8%	5.4%	3.8%	5.4%
Net income	2.3%	3.5%	5.3%	5.9%	6.3%	4.1%	2.7%	4.3%
Income tax rate	24.4%	21.7%	23.6%	17.8%	19.2%	25.4%	29.2%	21.3%
Revenues by Business Unit:								
	14,874	15,534	15,394	15,692	15,017	61,101	52,902	61,494
Global Large Enterprise	4,246	4,549	4,326	4,692	4,477	18,011	14,285	17,813
Global Public	3,856	4,580	4,442	3,973	3,767	15,338	14,484	16,851
Global Small and Medium Business	3,524	3,535	3,665	3,749	3,768	14,892	12,079	14,473
Global Consumer	3,248	2,870	2,961	3,278	3,005	12,860	12,054	12,357
Operating income by Business Unit:								
	911	959	1,242	1,387	1,473	3,995	3,327	4,499
Global Large Enterprise	283	288	400	502	504	1,158	819	1,473
Global Public	298	369	451	366	370	1,258	1,361	1,484
Global Small and Medium Business	313	323	391	450	463	1,273	1,040	1,477
Global Consumer	17	(21)	-	69	136	306	107	65
Revenues by product:								
	14,874	15,534	15,394	15,692	15,017	61,101	52,902	61,494
Servers and Networking	1,785	1,890	1,844	2,090	1,973	6,512	6,032	7,609
Storage	554	624	543	574	481	2,666	2,192	2,295
Services	1,891	1,915	1,924	1,943	1,984	5,352	5,622	7,673
Software & Peripherals	2,496	2,535	2,579	2,651	2,567	10,603	9,499	10,261
Mobility	4,563	4,700	4,858	4,850	4,716	18,604	16,610	18,971
Desktop PCs	3,585	3,870	3,646	3,584	3,296	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		
	Q1-FY11	Q2-FY11	Q3-FY11	Q4-FY11	Q1-FY12	FY09	FY10	FY11
GAAP gross margin	\$ 2,516	\$ 2,586	\$ 3,003	\$ 3,291	\$ 3,432	\$ 10,957	\$ 9,261	\$ 11,396
Non-GAAP adjustments:								
Amortization of intangibles	68	70	71	69	71	59	151	278
Severance and facility actions	29	14	4	6	5	146	236	53
Acquisition-related	1	1	-	2	3	-	1	4
Other ⁽¹⁾	-	-	-	-	-	-	-	-
Stock option accelerated vesting charges	-	-	-	-	-	16	-	-
Non-GAAP gross margin	2,614	2,671	3,078	3,368	3,511	11,178	9,649	11,731
GAAP operating expenses	1,997	1,841	1,979	2,146	2,220	7,767	7,089	7,963
Non-GAAP adjustments:								
Amortization of intangibles	(20)	(17)	(18)	(16)	(21)	(46)	(54)	(71)
Severance and facility actions	(28)	(10)	(27)	(11)	(14)	(136)	(245)	(76)
Acquisition-related	(19)	(15)	(23)	(37)	(50)	-	(115)	(94)
Other ⁽¹⁾	(140)	-	-	-	-	-	-	(140)
Stock option accelerated vesting charges	-	-	-	-	-	(88)	-	-
Non-GAAP operating expenses	1,790	1,799	1,911	2,082	2,135	7,497	6,675	7,582
GAAP operating income	519	745	1,024	1,145	1,212	3,190	2,172	3,433
Non-GAAP adjustments:								
Amortization of intangibles	88	87	89	85	92	105	205	349
Severance and facility actions	57	24	31	17	19	282	481	129
Acquisition-related	20	16	23	39	53	-	116	98
Other ⁽¹⁾	140	-	-	-	-	-	-	140
Stock option accelerated vesting charges	-	-	-	-	-	104	-	-
Non-GAAP operating income	824	872	1,167	1,286	1,376	3,681	2,974	4,149
GAAP net income	341	545	822	927	945	2,478	1,433	2,635
GAAP earnings per common share - diluted	\$ 0.17	\$ 0.28	\$ 0.42	\$ 0.48	\$ 0.49	\$ 1.25	\$ 0.73	\$ 1.35
Non-GAAP adjustments:								
Amortization of intangibles	88	87	89	85	92	105	205	349
Severance and facility actions	57	24	31	17	19	282	481	129
Acquisition-related	20	16	23	39	53	-	116	98
Other ⁽¹⁾	140	-	(72)	-	-	-	-	68
Stock option accelerated vesting charges	-	-	-	-	-	104	-	-
Aggregate adjustment for income taxes	(62)	(43)	(18)	(50)	(59)	(117)	(181)	(173)
Non-GAAP adjustments per common share - diluted	\$ 0.13	\$ 0.04	\$ 0.03	\$ 0.05	\$ 0.06	\$ 0.19	\$ 0.32	\$ 0.24
Non-GAAP net income	584	629	875	1,018	1,050	2,852	2,054	3,106
Non-GAAP earnings per common share - diluted	\$ 0.30	\$ 0.32	\$ 0.45	\$ 0.53	\$ 0.55	\$ 1.44	\$ 1.05	\$ 1.59
GAAP Diluted WAS	1,973	1,960	1,949	1,938	1,923	1,986	1,962	1,955

Percentage of Total Net Revenue:

GAAP gross margin	16.9%	16.6%	19.5%	21.0%	22.9%	17.9%	17.5%	18.5%
Non-GAAP adjustment	0.7%	0.6%	0.5%	0.5%	0.5%	0.4%	0.7%	0.6%
Non-GAAP gross margin	17.6%	17.2%	20.0%	21.5%	23.4%	18.3%	18.2%	19.1%
GAAP operating expenses	13.4%	11.8%	12.8%	13.7%	14.8%	12.7%	13.4%	12.9%
Non-GAAP adjustment	-1.4%	-0.2%	-0.4%	-0.4%	-0.6%	-0.4%	-0.8%	-0.6%
Non-GAAP operating expenses	12.0%	11.6%	12.4%	13.3%	14.2%	12.3%	12.6%	12.3%
GAAP operating income	3.5%	4.8%	6.7%	7.3%	8.1%	5.2%	4.1%	5.6%
Non-GAAP adjustment	2.0%	0.8%	0.9%	0.9%	1.1%	0.8%	1.5%	1.1%
Non-GAAP operating income	5.5%	5.6%	7.6%	8.2%	9.2%	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	Current Year Share					Annual Share										
		Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
WW Client PCs	2	13%	13%	13%	12%	13%	13%	15%	16%	17%	18%	16%	14%	14%	13%	13%	13%
USA	2	23%	24%	24%	22%	23%	24%	29%	32%	35%	36%	33%	29%	29%	24%	23%	23%
EMEA	3	10%	10%	9%	10%	10%	9%	9%	10%	11%	12%	12%	11%	11%	9%	10%	10%
Asia Pacific	3	9%	10%	10%	9%	10%	4%	5%	6%	6%	7%	7%	7%	9%	8%	10%	10%
Japan	4	9%	11%	10%	9%	10%	6%	7%	9%	11%	12%	14%	14%	14%	12%	10%	10%
Desktop PC	2	13%	14%	14%	13%	13%	12%	15%	17%	18%	17%	16%	15%	15%	13%	14%	13%
Portable PC	3	12%	12%	12%	11%	12%	14%	15%	16%	17%	18%	17%	14%	14%	12%	12%	12%
x86**	2	29%	30%	27%	26%	28%	19%	22%	25%	25%	26%	26%	25%	27%	27%	28%	28%
Consumer	3	9%	8%	8%	9%	9%	6%	10%	12%	13%	12%	11%	8%	9%	9%	9%	9%
SMB ¹	2	13%	13%	13%	12%	13%	12%	12%	13%	14%	15%	14%	14%	14%	12%	13%	13%
Public	3	17%	21%	19%	15%	17%	20%	19%	15%	17%	21%	17%	19%	20%	21%	18%	17%
Large Enterprise ²	2	31%	32%	29%	27%	27%	30%	30%	30%	31%	32%	25%	29%	31%	32%	29%	27%

*PC's include Desktops, Notebooks, data as of May 2011

**x86 is preliminary Q1 IDC data

¹SMB includes companies with less than 500 employees

²Large Enterprise includes companies more than 500 employees