

DELL FISCAL 2004 IN REVIEW



Direct. More than ever.

OPERATING RESULTS (in millions, except per-share data)

FISCAL-YEAR ENDED	JAN. 30, 2004	JAN. 31, 2003	CHANGE
Net revenue	\$ 41,444	\$ 35,404	17.1%
Gross margin	\$ 7,552	\$ 6,349	18.9%
Operating income	\$ 3,544	\$ 2,844	24.6%
Net income	\$ 2,645	\$ 2,122	24.6%
Income per common share			
Basic	\$ 1.03	\$ 0.82	25.6%
Diluted	\$ 1.01	\$ 0.80	26.3%
Weighted average shares			
Basic	2,565	2,584	
Diluted	2,619	2,644	
Total cash and investments	\$ 11,922	\$ 9,905	
Total assets	\$ 19,311	\$ 15,470	
Long-term debt	\$ 505	\$ 506	
Total stockholders' equity	\$ 6,280	\$ 4,873	



To our Customers, Shareholders, Partners and Employees:

Customers made Dell's fiscal 2004 the most successful of the 20 years since our founding. They chose us for a broader array and larger volume of information- and personal-technology products and services than ever.

Our customers include global corporations purchasing network servers, storage systems and professional services for their critical data centers. Governments, schools and small businesses becoming more efficient to serve their constituents better. And individuals enhancing their digital lives.

Customers are extending a longtime trend toward standards-based information technology in the enterprise and, now, in consumer electronics. And they are turning to Dell for the best value from their technology investments, large and small.

Dell's full-year product shipments, revenue, operating profit and earnings per share were all company records. We were the world's leading supplier of computer systems for the second

Michael S. Dell *Chairman of the Board and Chief Executive Officer*
Kevin B. Rollins *President and Chief Operating Officer*



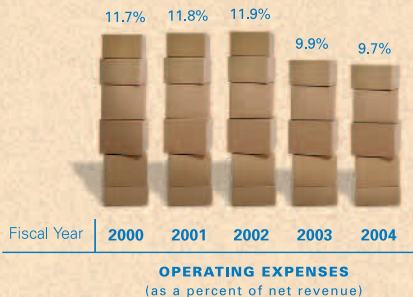
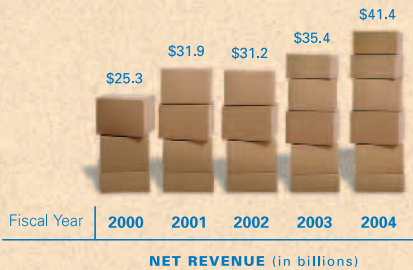
consecutive year. And our business was profitable in every geographic market, customer segment and product category.

Dell product shipments grew 26 percent, nearly three times the average of other companies. Our revenue increased 17 percent, to \$41.4 billion; total sales by the rest of the industry declined. Operating expenses accounted for just 9.7 percent of revenue, the lowest full-year rate in our history, and were 9.6 percent for the last three quarters. Earnings per share were up 26 percent, to \$1.01; competitors lost money in their computer-systems businesses.

In April 2002, in the midst of our industry's most trying period ever, we declared an ambitious objective to double Dell sales to more than \$60 billion in about five years.

Some observers believed the goal unattainable. However, two years later we are ahead of pace toward the target.

Although financial data confirm Dell's success this past year, they do not fully describe our achievement and, in turn, our continued strong optimism as we enter the company's second 20 years.



Dell was the only computer-systems company simultaneously providing customers great value, growing faster than the industry average and earning a compelling profit for investors.

We again demonstrated the fundamental advantages of our high-quality, low-cost business model and the great discipline with which it's applied worldwide by an outstanding Dell team.

For us, that discipline takes the form of identifying a small number of priorities, directing resources to them, then measuring and holding ourselves accountable for significant progress toward them. Dell's efforts remain focused on four strategic initiatives: driving **global growth**, attaining **product leadership**, continuously improving the **customer experience** and enhancing Dell's **winning culture**.

We've long understood the powerful global relevance of the unique, direct way we do business, for customers and for Dell. Direct is not an exclusively American or European or Asian concept. It is a customer concept, rooted in understanding and meeting individual needs, at ever-higher levels of value. Customers worldwide embrace direct, a fact apparent in our exceptional **global growth** last year and illustrated throughout this report.

In the United States, a market Dell has led for five full years, our 22-percent growth in unit shipments was nearly four times the rate of the rest of the industry. Dell is the most preferred supplier by every segment of U.S. customers: businesses of all sizes, government agencies, educational institutions and consumers.

The company's distinctiveness is similarly profound in other regional markets. Dell shipments in Europe, the Middle East and Africa were up 30 percent, twice the average for other companies. In Asia-Pacific and Japan, the increase was 38 percent, versus 8 percent for the industry without Dell.

China provides a vivid example of customer inclination to direct, and the capability of our people to use it to redefine value in a market. In



Rack-mounted Dell PowerEdge servers, and Dell | EMC and PowerVault storage systems.

just five years, we are the country's No. 3 provider of computer systems and services. Dell shipment growth in China was nearly 60 percent last year, four times that of the rest of the industry. The country already is our fourth-largest national market.

We define **product leadership** as bringing to market exactly what customers want, when they want it, for the best value in the industry. Our leadership and the associated opportunity for Dell are particularly notable in enterprise technology—network servers, storage systems and related services.

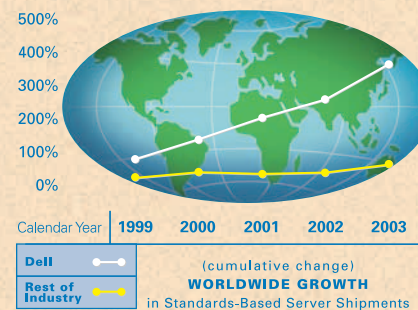
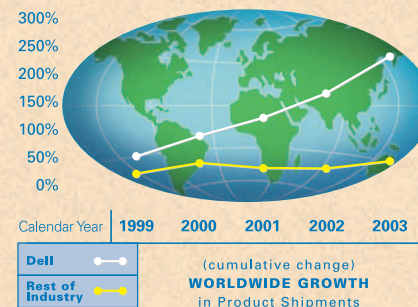
Dell's PowerEdge servers are being selected more and more for critical applications within the data centers of businesses and other organizations. Based on Microsoft Corp. and Linux operating systems, and using standards-based applications such as those from Oracle Corp. and SAP A.G., our systems are dramatically lowering the cost of computing while providing customers with tremendous power, flexibility and reliability.

Our Web site, www.dell.com, is one of the world's highest-volume, most-dynamic Internet commerce sites. With more than 1.4 billion page requests per quarter and growing, it runs robustly and cost effectively on PowerEdge servers and PowerVault and Dell | EMC storage products.

Dell servers are also being clustered together into virtual supercomputers that can be expanded over time, as customer needs require and resources permit, at a cost as much as 90 percent lower than for proprietary mainframe computers. Already, nearly 40 percent of the world's top 500 supercomputers are standards-based clusters. The fourth most powerful is a cluster of our PowerEdge systems at the National Center for Supercomputer Applications on the campus of the University of Illinois at Urbana-Champaign.

At the end of last year, annualized sales of PowerVault and Dell | EMC external storage systems were approaching \$2 billion, while those from enhanced services were about \$3 billion. Both are relatively new, rapidly expanding categories for Dell.

We are now creating what's been called the "Dell Effect," where prices drop and value increases for customers when we enter a market, in other product categories. For instance, there is considerable opportunity to make inkjet and





(cumulative change)
U.S. GROWTH
in Product Shipments



(cumulative change)
EUROPE, MIDDLE EAST AND AFRICA GROWTH
in Product Shipments

laser printing more affordable, and we introduced our first Dell printers in March 2003. Since then we have shipped more than two million of our printers, and will continue to expand our range of such products. Lowering the cost of printing has long-term competitive implications, too. Many competitors subsidize their inefficient computer-systems businesses with exorbitant profits from sales of other products, including ink for printers.

Dell also is innovating its own consumer electronics, including digital music players and LCD television/computer monitors, as well as Axim handheld computers and digital projectors.

With all of the products and services we offer, our primary purpose is to deliver a great **customer experience** to everyone who chooses to do business with Dell. We recognize the variety and price of products and services we offer account for only a portion of overall customer satisfaction.

Our ability to understand and act on customer requirements is unmistakable: Dell earned more than 100 awards for product and service quality and reliability last year alone. Also, corporate technology customers surveyed by Technology Business Research ranked Dell No. 1 for overall service and support among hardware vendors, and first in customer satisfaction for servers based on Intel Corp. microprocessors, and desktop and notebook computers. However, customer expectations evolve and rise, so there's no opportunity to rest on past reputation, even for a Dell team that is exceptional at creating customer value.

We regularly measure our performance from the customer's perspective. As examples, we track how easy it is to contact Dell, the accuracy with which orders are fulfilled, if deliveries are on time, overall product quality, whether we correct an issue the first time, and if our customers are treated with courtesy and respect. Our vision is not just to provide the best customer experience in our industry, but to be counted among the best in any business.

Another fundamental difference between Dell and other companies is our **winning culture**. We have a constructive passion for winning in everything we do. Continuous improvement is a basic element of our culture, and manifests itself in how we build a work force with diverse backgrounds and skills worldwide, maintain the highest standards of integrity, develop leaders, and encourage personal accountability by all of our people.

We are in the midst of a deliberate, multiyear effort to expand the leadership skills of Dell managers. This is a critical means to building and inspiring champions at every level of the organization, and realizing all of Dell's vast potential for customers and other stakeholders.

Customers and investors get best value over time from companies that are consistently growing and financially very healthy. Dell stands far ahead of most companies in that regard, credit for which goes to our teams and a better way of doing business.

Our ultimate objective is to be a great company in all ways. We maintain very high expectations for operational excellence. For customer value and experience. And for providing superior shareholder return over time. But it's equally essential to be known as an exceptional place to work. As responsible citizens in all of the markets we serve. And as ethical in everything we do.

The job of being a great company is never finished. It requires persistent enthusiasm, determination and effort. Our people demonstrated all of those qualities in fiscal 2004 and are proud of our record accomplishments, strategic and financial.

They provide great momentum for us in the current year and beyond. But we will not belabor them. Because we know very well there's more work to be done.

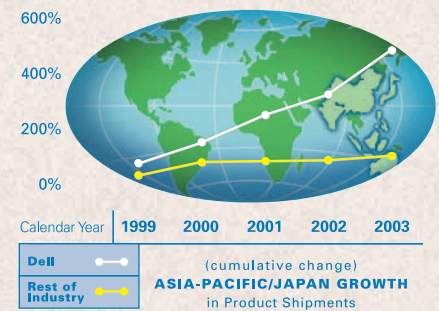
Michael S. Dell

Chairman of the Board and Chief Executive Officer

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President and Chief Operating Officer

April 2004





Value and customized technology are among the many reasons customers from Calais to Cannes do business with Dell, and have since 1989. Dell teams based in Montpellier and Rueil-Malmaison serve a growing base of businesses large and small, and consumers throughout France.

One such customer, Paris-based AXA Group, chose Dell in a competitive bid for a six-year global managed-services agreement. Dell provides a complete suite of managed services including a single point of contact for help-desk services, hardware and software support, deployment, and asset management for 100,000 notebook and desktop computers, along with printers and other technology used by the leader in insurance and financial assets. AXA cited the flexibility and cost advantage of Dell's services, as well as its ability to consistently provide custom-manufactured computer systems to nearly 60 offices worldwide, in locations such as the United Kingdom, France, Germany and the United States. The end result is a powerful, standards-based operation that costs AXA less to own and maintain.

DELL FISCAL 2004 IN REVIEW





FRANCE IS A DELL POWEREDGE SYSTEM.

Work on behalf of AXA and many other customers contributed to a strong year for Dell in France, the world's fifth-largest market for information technology, where the company ranks No. 3. Overall company revenue increased 30 percent in the country. Dell achieved the fastest unit growth in server shipments by major competitors. One in five systems shipped in this strategically important market last year was a Dell PowerEdge system.



Thomas Grappin - France

Thomas is a customer-care agent based in Paris. He assists a broad range of customers with their technology needs and has been with Dell for one year.



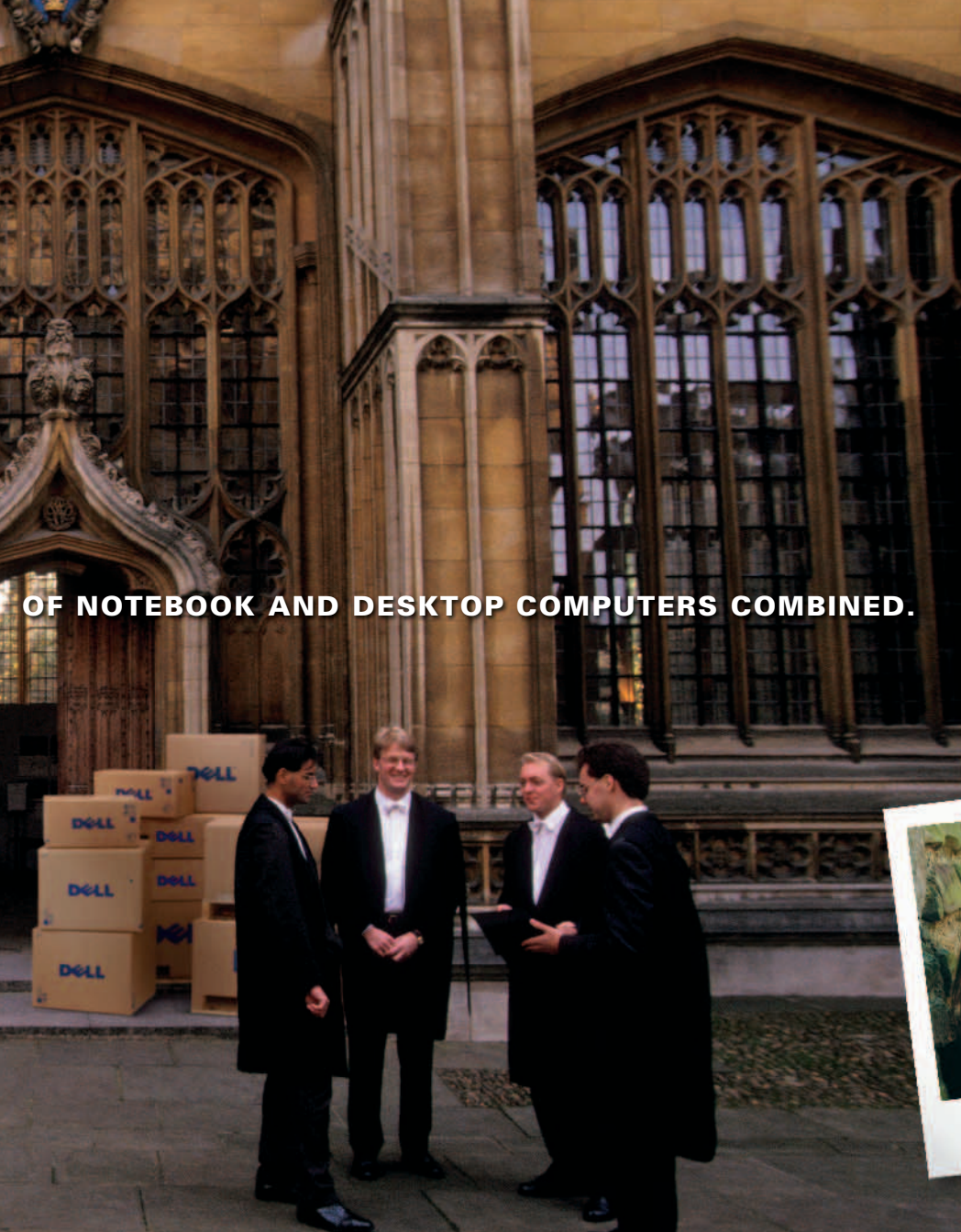
Dell's long-ago first foray into markets other than the United States remains one of its most successful.

Established in the United Kingdom in 1987, three years after the company started its direct business, Dell is the country's top seller of desktop and notebook computers combined, and the No. 2 provider of standards-based network servers. Dell's offices in Bracknell, Berkshire, house many of the teams that serve U.K. customers ranging from the largest global accounts to public institutions to individual consumers. They also serve as the headquarters for Dell's business throughout Europe, the Middle East and Africa.

Oxford University, Barclays PLC and WH Smith PLC are customers that typify the benefits of direct relationships with Dell. The university has installed a high-performance cluster of Dell PowerEdge servers to analyze and store vast amounts of information on mass, inertia and antimatter for scientific research—at a fraction of the cost of systems based on proprietary technology. Barclays, one of the largest financial services



DELL IS THE UNITED KINGDOM'S LEADING SELLER



OF NOTEBOOK AND DESKTOP COMPUTERS COMBINED.

groups in the United Kingdom, and WH Smith, the country's leading wholesaler of newspapers and magazines, also are using Dell systems and services to help lower operating costs.

The value and service Dell provides these and thousands of other customers in the United Kingdom led to another successful year for Dell in 2003. The company grew faster than any other top-10 computer-systems supplier in the country, gaining nearly three points of market share to earn 21 percent of unit purchases.

With an estimated \$67 billion spent nationally on information technology, there's opportunity for more customers to derive better value from Dell, and for Dell to continue its success story.



Lynsay Smith - United Kingdom
Lynsay, based in Scotland, is account director for the Royal Bank of Scotland Group. She joined Dell in 2000.



Consistently ranking at the top of customer-satisfaction surveys shows the acceptance and growing success of Dell's direct business in Japan.

Second only to the United States in information-technology spending—estimated at \$116 billion—Japan is home to more than 1,100 Dell people in customer care, technical support and sales. Based in Kawasaki, near Tokyo, Dell teams serve a broad and increasing base of customers who regard Dell among the very best in satisfaction with network servers, storage systems and desktop and notebook computers.

Customers such as NTT DoCoMo, Japan's largest mobile-communications company, and Pioneer Corp., a renowned manufacturer of digital audio/video equipment, are using Dell personal computers and enterprise systems to serve millions of customers in Japan and around the world. Effective, direct



DELL IS CONSISTENTLY RANKED AT THE TOP OF



relationships with these and other customers have made Dell the No. 3 provider of computer systems in the country.

Dell, which entered the market in 1993, is the fastest-growing among Japan's top technology providers. This past year, company product shipments increased 30 percent—the rest of the industry was virtually flat—as Dell gained two full points of market share.



Yoshinori Nozaki - Japan

Yoshinori, based in Kawasaki, Kanagawa, joined Dell two years ago. He leads the company's online sales team that creates a smooth purchasing experience for government agencies and education institutions.

.CHINA.



The accomplishments of Dell's team in China are only the latest major examples of the worldwide customer appeal of direct relationships.

In just five years of selling directly to Chinese customers, the company earned the No. 3 share position and is one of the country's fastest-growing information-technology providers. China is Dell's fourth-largest national market. More important than the data is the underlying reason for Dell's success — customers in any culture gravitate to companies that provide the best value.

Dell manufacturing and customer-care teams in Xiamen serve the company's growing base of businesses and institutions of all sizes and consumers throughout China and in nearby markets. Customers including Petrochina Co. Ltd., one of the world's largest energy companies, and China Telecom, the country's top



DELL IS THE THIRD-LARGEST T



TECHNOLOGY PROVIDER IN CHINA.

Internet service provider, select Dell for everything from server and storage systems to customized notebook and desktop computers because of their superior price for performance.

China is a critical market for information technology, and its significance is expanding rapidly. Dell's unique ability to directly understand and meet the needs of customers positions it well to benefit from that growth. Company shipments this past year increased nearly 60 percent, four times that of the rest of the industry, and revenue rose nearly 40 percent.



Elizabeth Hu - China

Elizabeth was one of Dell's first employees with the company's Xiamen operation in 1998. She directs a team of more than 130 sales representatives who help Chinese consumers do business directly with Dell.



Dell established direct sales in Canada in 1988, the year after the company successfully expanded into the United Kingdom. The results—for customers and for Dell—have been spectacular.

Dell today is the No. 1 seller of computer systems in Canada, and the fastest growing among all major manufacturers. Teams based in North York, Ontario, serve large corporate accounts, small businesses, public institutions and consumers throughout the country, one of Dell's top-five markets worldwide.

Canadian corporations account for about 80 percent of Dell's national revenue. One such customer, Alcan Inc., a world leader in aluminum and packaging, is an example of how businesses benefit from standards-based technology purchased from Dell. Alcan has deployed nearly 120 PowerEdge servers and a Dell | EMC storage-area network to improve the availability of



DELL IS CANADA'S TOP-SELLING AND



FASTEST-GROWING COMPUTER COMPANY.

systems and critical applications. At the same time, the company reduced its overall data-storage costs.

Work with Alcan and others led Dell to increase yearly unit shipments by 17 percent, more than double the rate of the entire Canadian market, with revenue growing 21 percent. Dell leads the country in desktop computer sales, is No. 2 in servers and earned the No. 3 spot in notebook systems.



John Tyler - Canada

John, a Dell colleague since 2000, is a senior product manager for the company's software and peripherals group in North York, Ontario.



Customers in the world's largest market for information technology this past year again made Dell the leading computer-systems company. It was the fifth straight year that businesses, institutions and consumers purchased a greater volume of products and services from Dell than from any other company.

Dell teams serve customers from the company's headquarters in Round Rock, Texas; from manufacturing facilities in Austin, Texas, and Nashville, Tenn.; and from customer-service and other locations throughout the country.

The company is ubiquitous with organizations large and small. Customers in ever greater numbers are turning to Dell as they migrate from aging information-technology infrastructures using proprietary systems to standards-based platforms that cost less to install, maintain and add to as their needs grow.

IN THE U.S., DELL HAS BEEN THE MOST-PREFERRED





COMPUTER-SYSTEMS SUPPLIER FOR FIVE YEARS.

Dell's corporate customers in the United States are among the world's largest. Companies such as Cargill Inc., Southwest Airlines Co. and Verizon Communications Inc., as well as thousands of others, are finding more efficient ways to apply technology and use it as a competitive advantage. Consumers, too, are taking advantage of standardizing technology to improve their digital lives.

These trends, and the crisp manner in which Dell works on behalf of customers, led to Dell gaining nearly three points of overall market share in the United States last year.



Linda Kelly - United States
Linda is a customer-service representative at Dell in Round Rock, Texas. She has been with the company for six years, supporting several types of customers, including consumers and small businesses.

Dell Products and Services

Dell's expanding product and service portfolio meets the diverse needs of customers from individual consumers to the largest global companies.

PowerEdge servers range from single- to multiprocessor configurations designed for business-critical functions such as e-mail and database applications, and high-performance computing. The price, power and flexibility of these standards-based systems are primary reasons why Dell earned the top share position in U.S. server shipments and No. 2 worldwide this past year, and consistently ranks at the top of customer-satisfaction polls.

Dell | EMC storage arrays can further reduce the cost of data storage. The products offer highly available, flexible storage for workgroup, midrange and enterprise applications.

Customers showed strong receptivity to Dell's new printers, which simplify ink and



Enterprise Systems

PowerEdge servers offer quality, reliability, performance and scalability, with standards-based technology that is more affordable and easier for customers to deploy. **Dell | EMC** storage-area network and **PowerVault** network-attached storage systems offer exceptional manageability, availability, interoperability and performance. **PowerConnect** switches connect computers and servers in small- to medium-sized businesses, as well as in departments and data centers of large corporations.

Printers

Dell printers range from personal all-in-one inkjet printers to workgroup laser printers. All Dell printers include the Dell Ink Management System or Dell Toner Management System, and other features that contribute to unmatched price for performance.



Corporate Computer Systems

***OptiPlex** desktops are developed for corporate and institutional customers who demand highly reliable, stable, manageable and easily serviced systems within networked environments. **Latitude** notebooks provide power, portability and flexibility.*

***Dell Precision** workstations with flat-panel LCD monitors run highly complex applications, such as three-dimensional computer-aided design, digital content creation, software development and financial/economic modeling.*



toner replacement and deliver great overall value. The company will expand its printing and imaging line in 2004 through its existing relationship with Lexmark International Inc. and new technology agreements with Fuji Xerox Co. Ltd., Eastman Kodak Co. and Samsung Electronics Co. Ltd.

Tying all these products together are Dell services. They include product support, managed services, deployment services, professional services, and training and certification, all of which help customers get the most value and performance from their technology.

November 2003 marked the opening of the Enterprise Command Center at Dell headquarters in Round Rock, Texas. The center provides real-time monitoring of customer issues, dispatching of technicians, and locating and shipping of service parts.

Consumer Computer Systems

*Dell **Dimension** desktops with LCD TVs are designed for small businesses and home users requiring high-performance computing. **Inspiron** notebooks are targeted to customers who want powerful mobile computer systems at leading prices.*



Consumer Electronics

*Dell consumer electronics are a natural extension of the company's computer products. Products include Dell LCD TVs and projectors, **Dell Digital Jukebox** MP3 players and **Axim** handheld computers. Dell provides a single resource for state-of-the-art consumer electronics.*



Note: Percentage growth rates and ratios are calculated based on underlying data in thousands. Certain prior-year amounts have been reclassified to conform to the fiscal 2004 presentation. System net revenue by product line includes worldwide service and software-and-peripheral revenue.

(1) Includes a pretax charge of \$742 million. Approximately \$482 million related to employee termination benefits, facilities closure costs and other asset impairments and exit costs, while the balance of \$260 million related to other-than-temporary declines in the fair value of equity securities.

(2) Includes a pretax charge of \$105 million related to employee termination benefits and facilities closure costs.

(3) Effective Jan. 29, 2000, Dell adopted the Securities and Exchange Commission Staff Accounting Bulletin No. 101, Revenue Recognition in Financial Statements ("SAB 101"), as amended. It resulted in a change in the method of accounting for certain product shipments. The cumulative effect of this change was \$59 million, net of taxes, and had no material effect on Dell's previously reported revenue or quarterly earnings (other than the cumulative effect) during fiscal 2001.

Operating Results (in millions, except per-share data)

FISCAL-YEAR ENDED	JAN. 30, 2004	JAN. 31, 2003	FEB. 1, 2002 ⁽¹⁾	FEB. 2, 2001 ⁽²⁾⁽³⁾	JAN. 28, 2000 ⁽⁴⁾
Net revenue	\$ 41,444	\$ 35,404	\$ 31,168	\$ 31,888	\$ 25,265
Gross margin	\$ 7,552	\$ 6,349	\$ 5,507	\$ 6,443	\$ 5,218
Operating income	\$ 3,544	\$ 2,844	\$ 1,789	\$ 2,663	\$ 2,263
Net income	\$ 2,645	\$ 2,122	\$ 1,246	\$ 2,177	\$ 1,666
Income per common share					
Basic	\$ 1.03	\$ 0.82	\$ 0.48	\$ 0.84	\$ 0.66
Diluted	\$ 1.01	\$ 0.80	\$ 0.46	\$ 0.79	\$ 0.61

Percent of Net Revenue

FISCAL-YEAR ENDED	JAN. 30, 2004	JAN. 31, 2003	FEB. 1, 2002 ⁽¹⁾	FEB. 2, 2001 ⁽²⁾⁽³⁾	JAN. 28, 2000 ⁽⁴⁾
Operating income	8.6%	8.0%	5.8%	8.4%	9.0%
Net income	6.4%	6.0%	4.0%	6.8%	6.6%
Income tax rate	29.0%	29.9%	28.0%	30.0%	32.0%
Net revenue, by region					
Americas	69%	71%	70%	72%	71%
Europe	21%	19%	21%	20%	22%
Asia-Pacific and Japan	10%	10%	9%	8%	7%
System net revenue, by product line					
Desktops	51%	53%	53%	53%	58%
Notebooks	27%	27%	28%	29%	25%
Enterprise	22%	20%	19%	18%	17%

Financial Position (in millions)

FISCAL-YEAR ENDED	JAN. 30, 2004	JAN. 31, 2003	FEB. 1, 2002 ⁽¹⁾	FEB. 2, 2001 ⁽²⁾⁽³⁾	JAN. 28, 2000 ⁽⁴⁾
Total cash and investments	\$ 11,922	\$ 9,905	\$ 8,287	\$ 7,853	\$ 6,853
Total current assets	\$ 10,633	\$ 8,924	\$ 7,877	\$ 9,726	\$ 7,770
Property, plant and equipment, net	\$ 1,517	\$ 913	\$ 826	\$ 996	\$ 765
Total assets	\$ 19,311	\$ 15,470	\$ 13,535	\$ 13,670	\$ 11,560
Total current liabilities	\$ 10,896	\$ 8,933	\$ 7,519	\$ 6,778	\$ 5,281
Long-term debt	\$ 505	\$ 506	\$ 520	\$ 509	\$ 508
Stockholders' equity	\$ 6,280	\$ 4,873	\$ 4,694	\$ 5,622	\$ 5,308
Total liabilities and stockholders' equity	\$ 19,311	\$ 15,470	\$ 13,535	\$ 13,670	\$ 11,560

Key Ratios

FISCAL-YEAR ENDED	JAN. 30, 2004	JAN. 31, 2003	FEB. 1, 2002 ⁽¹⁾	FEB. 2, 2001 ⁽²⁾⁽³⁾	JAN. 28, 2000 ⁽⁴⁾
Current ratio	0.98	1.00	1.05	1.44	1.47
Quick ratio	0.81	0.81	0.82	1.16	1.28
Days of supply in inventory	3	3	4	5	6
Days of sales outstanding ⁽⁵⁾	31	28	29	32	34
Days in accounts payable	70	68	69	58	58
Cash conversion cycle	(36)	(37)	(36)	(21)	(18)

Other Data

FISCAL-YEAR ENDED	JAN. 30, 2004	JAN. 31, 2003	FEB. 1, 2002 ⁽¹⁾	FEB. 2, 2001 ⁽²⁾⁽³⁾	JAN. 28, 2000 ⁽⁴⁾
Employees (year-end)	46,000	39,100	34,600	40,000	36,500
Average total revenue per unit	\$ 1,540	\$ 1,640	\$ 1,700	\$ 2,050	\$ 2,250
Shares issued and outstanding	2,556	2,579	2,602	2,601	2,575
Weighted average shares outstanding					
Basic	2,565	2,584	2,602	2,582	2,536
Diluted	2,619	2,644	2,726	2,746	2,728
Closing stock price (NASDAQ: DELL)	\$ 33.44	\$ 23.86	\$ 26.80	\$ 25.19	\$ 37.25
Market capitalization	\$ 85,500	\$ 61,500	\$ 69,734	\$ 65,563	\$ 95,928

(4) Includes a pretax charge of \$194 million related to a purchase of in-process research and development.

(5) Days of sales outstanding include the effect of product costs related to in-transit customer shipments that are classified in other current assets. At Jan. 30, 2004; Jan. 31, 2003; Feb. 1, 2002; Feb. 2, 2001; and Jan. 28, 2000, days of sales outstanding included days of sales in accounts receivable and days of in-transit customer shipments of 28 and three days; 24 and four days; 25 and four days; 27 and five days; and 34 and zero days, respectively.

Senior Officers

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and Chief Executive Officer

Kevin B. Rollins
President
and Chief Operating Officer

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Vice President,
Corporate Communications

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Senior Vice President,
Asia-Pacific and Japan

Paul D. Bell
Senior Vice President,
Europe, Middle East and
Africa

Jeffrey W. Clarke
Senior Vice President,
Product Group

Robert W. Davis
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Chief Accounting Officer

Martin J. Garvin
Senior Vice President,
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Michael A. George
Chief Marketing Officer
and Vice President,
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Thomas B. Green
Senior Vice President,
Law and Administration,
and Secretary

John S. Hamlin
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Lynn A. Tyson
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Vice President,
Corporate Strategy

Thurmond B. Woodard
Vice President,
Global Diversity, and
Chief Ethics Officer

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Chairman of the Board
and Chief Executive Officer

Donald J. Carty
Former Chairman
and Chief Executive Officer,
AMR Corp. and
American Airlines Inc.
Committee: Audit (Chair)

William H. Gray III
President
and Chief Executive Officer,
United Negro College Fund
*Audit, Governance and
Nominating*

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Chief Financial Officer
and President,
Human Health Asia
Merck & Co. Inc.
Compensation, Finance

Thomas W. Luce III
Partner
Luce and Williams, Ltd.
Audit

Klaus S. Luft
Owner and President
MATCH - Market Access
for Technology Services
GmbH, and Vice Chairman/
International Advisor,
Goldman Sachs Europe Ltd.
Compensation

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and Chief Executive Officer,
Gemplus International S.A.,
Finance (Chair)

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Special Limited Partner,
Forstmann Little & Co.,
and Former
Chairman of the Board and
Chief Executive Officer,
Philip Morris Companies Inc.
*Compensation (Chair),
Governance and
Nominating*

Samuel A. Nunn, Jr.
Former U.S. Senator
and Current
Chief Executive Officer
and Co-Chairman,
The Nuclear Threat Initiative
*Audit, Governance and
Nominating (Chair);
Presiding Director*

Morton L. Topfer
Managing Director,
Castletop Capital, and
Former Vice Chairman,
Dell
Finance

Investor Data

Dell's common stock is traded on The Nasdaq National Market under the symbol "DELL."

The company's stock was initially offered to the public on June 22, 1988, at \$8.50 per share. Following is a roster of subsequent stock splits:

April 1992	3-for-2
October 1995	2-for-1
December 1996	2-for-1
July 1997	2-for-1
March 1998	2-for-1
September 1998	2-for-1
March 1999	2-for-1

Example: One hundred shares of Dell stock at the IPO was equal to 9,600 shares at the end of fiscal 2004.

Extensive investor information, including Dell's Fiscal 2004 in Review and U.S. Securities and Exchange Commission filings, can be found on the World Wide Web at www.dell.com/investor.

For printed copies of the annual report on Form 10-K (without exhibits) for fiscal-year 2004, or other investor data, contact:

Investor Relations
Dell
One Dell Way, Round Rock, TX 78682-2222
512-728-7800
Investor_Relations_Fulfillment@dell.com
www.dell.com/investor

The company's 2004 annual shareholders meeting will be held at 8 a.m. on Friday, July 16, at the Austin Convention Center, 500 E. Cesar Chavez St., Austin, Texas.

Information about stock certificates, changing an address, consolidating accounts, transferring ownership or other stock matters can be obtained from:

American Stock Transfer and Trust Co.
40 Wall St., 46th Floor, New York, NY 10005
www.amstock.com
800-937-5449

Independent Accountants: PricewaterhouseCoopers LLP, Austin, Texas

Regional Headquarters

Americas

Dell Inc.
One Dell Way
Round Rock, TX 78682
512-338-4400 or 800-289-3355
Fax: 512-283-6161

Europe, Middle East and Africa

Dell Europe
Dell Campus
Bracknell, Berkshire
United Kingdom RG12 1FA
44-1344-860-456
Fax: 44-1344-373-13

Asia-Pacific

Dell Asia Pte. Ltd.
180 Clemenceau Avenue
#06-01 Haw Par Center
Singapore 239922
65-6335-3388
Fax: 65-6335-3380

Japan

Dell Japan Inc.
Solid Square East Tower 20F
580 Horikawa-cho, Saiwai-ku
Kawasaki, Kanagawa 212-8589
Japan
81-44-556-4300
Fax: 81-44-556-3205

Manufacturing Centers

Dell manufactures its computer systems in six locations: Austin, Texas, and Nashville, Tenn., United States; Eldorado do Sul, Brazil; Limerick, Ireland; Penang, Malaysia; and Xiamen, China.

Dell's Corporate Accountability

Dell's board of directors believes that adherence to sound corporate-governance policies and practices is important in ensuring that Dell is governed and managed with the highest standards of responsibility, ethics and integrity, and in the best interests of stockholders. The board has adopted Corporate Governance Principles, which provide an effective corporate-governance framework for Dell, intending to reflect a set of core values that serve as the foundation for Dell's governance and management systems and its interactions with others. The principles can be accessed in the "About Dell" section of www.dell.com.

Environmental Stewardship

Dell continues to focus on and improve its environmental stewardship. The company has expanded its rate of product recovery through a series of community recycling events and other awareness initiatives. Dell is building on programs that allow consumers in the United States to ship unwanted computers—or have them picked up and delivered—to recycling centers at very low costs. At the other end of the product life cycle, Dell is refining a restricted-materials program to identify components that are environmentally sensitive and help prevent their use in company products. Dell also has made further reductions in the amount of energy consumed in making and using computer systems. More information on Dell's recycling and other end-of-life programs, such as donating used systems to charities, can be found at www.dell.com/recycling. To learn more about Dell's environmental programs, visit www.dell.com/environment.

Global Diversity

Diversity is essential to how Dell serves its customers and creates a winning culture for its employees. Today, more than half of Dell employees in the United States are women and minorities, nearly one-third of whom are managers. The company provides online diversity and multicultural training, networking groups, mentoring, career coaching and work/life effectiveness programs to ensure Dell recruits and retains the best and brightest talent in the industry.

Last year, Dell remained committed to supplier diversity. Year-over-year spending with Minority and Women Business Entrepreneurs (MWBE) grew 60 percent. Dell awarded nearly \$180 million in new contracts to diverse suppliers, and ranked No. 4 on the Div50 listing, the highest ranking among technology companies. The company continues to partner extensively with diverse organizations such as: Congressional Black Caucus Foundation and the Congressional Hispanic Caucus Institute; historically black colleges and universities; National Urban League; United Negro College Fund; Catalyst; National Society of Black and Hispanic MBAs; National Council of La Raza; Out and Equal; and the Asian, Native American, Hispanic and African-American chambers of commerce. For more information on Dell's diversity initiatives, visit www.dell.com/diversity.

Community Engagement

Globally, Dell employees are dedicating thousands of hours and donating millions of dollars every year to dozens of organizations, such as Junior Achievement, American Red Cross, United Way, Second Harvest, Juvenile Diabetes Research Foundation and Milford Hospice. Through the company's One Dell: One Community program, employees combine team building and volunteerism to benefit local communities. Last year, the program culminated with Global Community Involvement Week, when nearly 7,100 employees from 22 countries volunteered time in their communities. Activities included collecting clothes and toys for a children and women's shelter in Germany; building a house for Habitat for Humanity in Tennessee; renovating and cleaning a Humane Society facility in Texas; sorting food at the Second Harvest Food Bank in Canada; and visiting a retirement home in Shanghai. During the year-end holidays, Dell employees donated 262,000 pounds of food and more than 11,000 turkeys to feed in excess of 75,000 families.

Through the Dell Foundation, the company continued its support of "E-quipping Youth" grants, which provide funds for programs in areas such as health and human services, education, literacy, and technology access for youth. The grants support programs in Central Texas in the United States; Bangalore, India; and Eldorado do Sul, Brazil. More information about Dell's community activities can be found in the "About Dell" section at www.dell.com.

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Statements in this report that relate to future results and events are based on the company's current expectations. Actual results in future periods may differ materially from those currently expected or desired because of a number of risks and uncertainties, including general economic and business conditions; the level of demand for the company's products and services; the level of intensity of competition in the technology industry and the pricing pressures that have resulted; the company's ability to timely and effectively manage periodic product transitions, as well as component availability and cost; the company's ability to develop new products based on new or evolving technology and the market's acceptance of those products; the company's ability to manage its inventory levels to minimize excess inventory, declining inventory values and obsolescence; the product, customer and geographic sales mix of any particular period; the company's ability to effectively manage its operating costs; and the effect of armed hostilities, terrorism or public-health issues on the economy generally, on the level of demand for the company's products and services and on the company's ability to manage its supply and delivery logistics in such an environment. Additional discussion of these and other factors affecting the company's business and prospects is contained in the company's periodic filings with the U.S. Securities and Exchange Commission.



www.dell.com

Dell is an Equal-Opportunity/Affirmative-Action Employer

