

DELL INC.

Condensed Consolidated Statement of Financial Position

(in millions)

(unaudited)

Assets:

Cash & cash equivalents	\$ 12,889	\$ 13,913	\$ 14,061	\$ 14,623	\$ 13,293
Short-term investments	492	452	418	509	545
Accounts receivable, net	6,407	6,493	6,196	6,752	6,690
Financing receivables, net	3,588	3,643	3,205	3,385	3,326
Inventories, net	1,294	1,301	1,276	1,346	1,397
Other	3,118	3,219	3,217	3,043	3,005
Total current assets	27,788	29,021	28,373	29,658	28,256
PP&E, net	1,948	1,953	1,987	2,064	2,123
Investments	662	704	762	1,048	2,183
Long-term financing receivable, net	709	799	1,123	1,252	1,279
Other non-current assets	6,047	6,122	7,543	7,582	8,202

Total assets:

37,154 38,599 39,788 41,604 42,043

Liabilities & Stockholders Equity:

Short-term borrowings	826	851	816	1,316	1,831
Accounts payable	11,278	11,293	10,442	11,628	11,107
Accrued and other	3,898	4,181	3,590	3,823	3,816
Short-term deferred services revenue	3,093	3,158	3,282	3,427	3,465
Total current liabilities	19,095	19,483	18,130	20,194	20,219
Long-term debt	5,168	5,146	6,794	6,424	6,430
Long-term deferred services revenue	3,447	3,518	3,608	3,723	3,744
Other non-current liabilities	2,631	2,686	2,886	2,927	2,987

Total liabilities:

30,341 30,833 31,418 33,268 33,380

Redeemable common stock and capital in excess of par

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Stockholder's equity:

6,813 7,766 8,370 8,336 8,663

Total liabilities & equity:

37,154 38,599 39,788 41,604 42,043

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	
3,000	3,029	3,518	
2,472	2,605	2,686	
22,229	28,011	30,833	

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4,271 5,641 7,766

26,500 33,652 38,599

DELL INC.
Condensed Consolidated Statement of Cash Flows

(in millions)
(unaudited)

	Prior Quarter Results					Prior Annual Results		
	Q3-FY11	Q4-FY11	Q1-FY12	Q2-FY12	Q3-FY12	FY09	FY10 ¹	FY11
Cash flows from operating activities:								
Net income:	\$ 822	\$ 927	\$ 945	\$ 890	\$ 893	\$ 2,478	\$ 1,433	\$ 2,635
Adjustments to reconcile net income to net cash provided by operating activities:								
Depreciation and amortization	234	225	216	230	241	769	852	970
Stock-based compensation	69	107	99	82	80	418	312	332
Effects of exchange rate changes on monetary assets and liabilities denominated in foreign currencies	(14)	(27)	-	(9)	(10)	(115)	59	(4)
Deferred income taxes	20	(10)	(63)	7	(35)	86	(52)	(45)
Provision for doubtful accounts - including financing receivables	82	83	47	70	50	310	429	382
Other	-	22	(5)	5	46	34	102	26
Changes in assets and liabilities, net of effects from acquisitions:								
Accounts receivable	308	(119)	471	(566)	(95)	480	(660)	(707)
Financing receivables	(46)	(250)	21	(100)	(83)	(302)	(1,085)	(709)
Inventories	77	(7)	38	(69)	(15)	309	(183)	(248)
Other assets	707	(227)	110	97	16	(106)	(225)	516
Accounts payable	(1,306)	24	(925)	1,186	(492)	(3,117)	2,833	(151)
Deferred services revenue	137	149	191	212	137	663	135	551
Accrued and other liabilities	(177)	586	(680)	339	118	(13)	(44)	421
Change in cash from operating activities:	913	1,483	465	2,374	851	1,894	3,906	3,969
Cash flows from investing activities:								
Investments:								
Purchases	(123)	(174)	(240)	(541)	(1,638)	(1,584)	(1,383)	(1,360)
Maturities and sales	346	174	222	210	424	2,333	1,538	1,358
Capital expenditures	(93)	(160)	(137)	(159)	(214)	(440)	(367)	(444)
Proceeds from sale of facility and land	-	-	12	-	-	44	16	18
Purchase of financing receivables	(430)	-	-	-	-	-	-	(430)
Collections on purchased financing receivables	20	49	67	68	69	-	-	69
Acquisition of business, net of cash received	(24)	(130)	(1,473)	(428)	(663)	(176)	(3,613)	(376)
Change in cash from investing activities:	(304)	(241)	(1,549)	(850)	(2,022)	177	(3,809)	(1,165)
Cash flows from financing activities:								
Repurchase of common stock	(200)	(200)	(450)	(1,130)	(600)	(2,867)	-	(800)
Issuance of common stock under employee plans	2	1	10	19	5	79	2	12
Issuance (repayment) of commercial paper (maturity of 90 days or less), net	(900)	-	-	-	-	100	76	(176)
Proceeds from debt	1,945	515	1,930	503	884	1,519	2,058	3,069
Repayments of debt	(296)	(515)	(323)	(370)	(362)	(237)	(122)	(1,630)
Other	-	-	3	(1)	1	-	(2)	2
Change in cash from financing activities:	551	(199)	1,170	(979)	(72)	(1,406)	2,012	477
Effect of exchange rate changes on cash and cash equivalents	35	(19)	62	17	(87)	(77)	174	(3)
Change in cash and cash equivalents:	1,195	1,024	148	562	(1,330)	588	2,283	3,278
Cash and cash equivalents at beginning of period:	11,694	12,889	13,913	14,061	14,623	7,764	8,352	10,635
Cash and cash equivalents at end of period:	12,889	13,913	14,061	14,623	13,293	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:

	Prior Quarter Results				
	Q3-FY11	Q4-FY11	Q1-FY12	Q2-FY12	Q3-FY12
Current ratio	1.46	1.49	1.57	1.47	1.40
Quick ratio	1.39	1.42	1.49	1.40	1.33
Cash conversion cycle^d	(32)	(33)	(31)	(34)	(31)
Days supply in inventory	9	9	10	10	11
Days of sales outstanding ^a	41	40	40	42	42
Days in accounts payable	82	82	81	86	84
Cash flow (millions):					
Cash flow from operations	\$ 913	\$ 1,483	\$ 465	\$ 2,374	\$ 851
Net free cash flows ^b	\$ 866	\$ 1,573	\$ 307	\$ 2,315	\$ 720
Cash and investments	\$14,043	\$15,069	\$15,241	\$16,180	\$16,021
Shares repurchased (millions)	16	15	31	71	40

	FY09	FY10	FY11
Current ratio	1.36	1.28	1.49
Quick ratio	1.30	1.22	1.42
Cash conversion cycle^d	(25)	(36)	(33)
Days supply in inventory	7	8	9
Days of sales outstanding ^a	35	38	40
Days in accounts payable	67	82	82
Cash flow (millions):			
Cash flow from operations	\$1,894	\$3,906	\$3,969
Net free cash flows ^b	\$1,756	\$4,624	\$4,234
Cash and investments	\$9,546	\$11,789	\$15,069
Shares repurchased (millions)	133	-	57

Profitability:

Return on total capital^c	27%	25%	24%	22%	21%
Gross margin	19.5%	21.0%	22.9%	22.5%	22.6%
Opex as percentage of revenue	12.8%	13.7%	14.8%	15.2%	15.2%
Operating margin	6.7%	7.3%	8.1%	7.3%	7.4%
Income tax rate	23.6%	17.8%	19.2%	18.4%	16.7%
Net profit margin	5.3%	5.9%	6.3%	5.7%	5.8%
WAS -- Diluted	1,949	1,938	1,923	1,871	1,828
EPS (diluted)	\$ 0.42	\$ 0.48	\$ 0.49	\$ 0.48	\$ 0.49

Return on total capital^c	33%	17%	21%
Gross margin	17.9%	17.5%	18.5%
Opex as percentage of revenue	12.7%	13.4%	12.9%
Operating margin	5.2%	4.1%	5.6%
Income tax rate	25.4%	29.2%	21.3%
Net profit margin	4.1%	2.7%	4.3%
WAS -- Diluted	1,986	1,962	1,955
EPS (diluted)	\$1.25	\$0.73	\$1.35

Growth:

Units Y/Y	11%	3%	0%	0%	-1%
Revenue Y/Y:	19%	5%	1%	1%	0%
Global Large Enterprise	27%	12%	5%	1%	4%
Global Public	20%	4%	-2%	-3%	-2%
Global Small and Medium Business	24%	12%	7%	5%	1%
Global Consumer	4%	-8%	-7%	1%	-6%
% of Total Revenue by Business Unit:					
Global Large Enterprise	28%	30%	30%	29%	29%
Global Public	29%	25%	25%	28%	29%
Global Small and Medium Business	24%	24%	25%	24%	24%
Global Consumer	19%	21%	20%	19%	18%
% of Total Revenue by Product:					
Servers and Networking	12%	13%	13%	13%	14%
Storage	3%	4%	3%	3%	3%
Services	12%	12%	13%	13%	14%
Software & Peripherals	17%	17%	17%	16%	16%
Mobility	32%	31%	32%	31%	31%
Desktop PCs	24%	23%	22%	24%	22%
EPS Y/Y (diluted)	147%	182%	188%	71%	17%

Units Y/Y	7%	-6%	12%
Revenue Y/Y:	0%	-13%	16%
Global Large Enterprise			
Global Public			
Global Small and Medium Business			
Global Consumer			
% of Total Revenue by Business Unit:			
Global Large Enterprise	30%	27%	29%
Global Public	25%	27%	27%
Global Small and Medium Business	24%	23%	24%
Global Consumer	21%	23%	20%
% of Total Revenue by Product:			
Servers and Networking	11%	11%	12%
Storage	4%	4%	4%
Services	9%	11%	12%
Software & Peripherals	17%	18%	17%
Mobility	30%	31%	31%
Desktop PCs	29%	25%	24%
EPS Y/Y (diluted)	-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		
	Q3-FY11	Q4-FY11	Q1-FY12	Q2-FY12	Q3-FY12	FY09	FY10	FY11
Income Statement:								
Net revenue	\$ 15,394	\$ 15,692	\$ 15,017	\$ 15,658	\$ 15,365	\$ 61,101	\$ 52,902	\$ 61,494
Sequential Growth	-1%	2%	-4%	4%	-2%			
Y/Y Growth	19%	5%	1%	1%	0%	0%	-13%	16%
Cost of revenue	12,391	12,401	11,585	12,133	11,896	50,144	43,641	50,098
Gross margin	3,003	3,291	3,432	3,525	3,469	10,957	9,261	11,396
SG&A	1,816	1,977	2,025	2,174	2,107	7,102	6,465	7,302
R&D	163	169	195	205	220	665	624	661
Total operating expenses	1,979	2,146	2,220	2,379	2,327	7,767	7,089	7,963
Operating income	1,024	1,145	1,212	1,146	1,142	3,190	2,172	3,433
Investment and other income, net	52	(18)	(42)	(55)	(70)	134	(148)	(83)
Income before taxes	1,076	1,127	1,170	1,091	1,072	3,324	2,024	3,350
Income tax provision	254	200	225	201	179	846	591	715
Net income	822	927	945	890	893	2,478	1,433	2,635
Sequential Growth	51%	13%	2%	-6%	0%			
Y/Y Growth	144%	177%	177%	63%	9%	-16%	-42%	84%
EPS:								
Basic	\$ 0.42	\$ 0.48	\$ 0.50	\$ 0.48	\$ 0.49	\$ 1.25	\$ 0.73	\$ 1.36
Diluted	\$ 0.42	\$ 0.48	\$ 0.49	\$ 0.48	\$ 0.49	\$ 1.25	\$ 0.73	\$ 1.35
Weighted Average Shares Outstanding:								
Basic	1,939	1,924	1,908	1,858	1,813	1,980	1,954	1,944
Diluted	1,949	1,938	1,923	1,871	1,828	1,986	1,962	1,955
Percentage of Net Revenue:								
Gross margin	19.5%	21.0%	22.9%	22.5%	22.6%	17.9%	17.5%	18.5%
Selling, general and administrative	11.8%	12.6%	13.5%	13.9%	13.8%	11.6%	12.2%	11.9%
Research, development and engineering	1.0%	1.1%	1.3%	1.3%	1.4%	1.1%	1.2%	1.0%
Total operating expenses	12.8%	13.7%	14.8%	15.2%	15.2%	12.7%	13.4%	12.9%
Operating income	6.7%	7.3%	8.1%	7.3%	7.4%	5.2%	4.1%	5.6%
Income before income taxes	7.0%	7.2%	7.8%	7.0%	7.0%	5.4%	3.8%	5.4%
Net income	5.3%	5.9%	6.3%	5.7%	5.8%	4.1%	2.7%	4.3%
Income tax rate	23.6%	17.8%	19.2%	18.4%	16.7%	25.4%	29.2%	21.3%
Revenues by Business Unit:								
	15,394	15,692	15,017	15,658	15,365	61,101	52,902	61,494
Global Large Enterprise	4,326	4,692	4,477	4,584	4,487	18,011	14,285	17,813
Global Public	4,442	3,973	3,767	4,457	4,375	15,338	14,484	16,851
Global Small and Medium Business	3,665	3,749	3,768	3,709	3,712	14,892	12,079	14,473
Global Consumer	2,961	3,278	3,005	2,908	2,791	12,860	12,054	12,357
Operating income by Business Unit:								
	1,242	1,387	1,473	1,409	1,366	3,995	3,327	4,499
Global Large Enterprise	400	502	504	448	441	1,158	819	1,473
Global Public	451	366	370	484	463	1,258	1,361	1,484
Global Small and Medium Business	391	450	463	404	386	1,273	1,040	1,477
Global Consumer	-	69	136	73	76	306	107	65
Revenues by product:								
	15,394	15,692	15,017	15,658	15,365	61,101	52,902	61,494
Servers and Networking	1,844	2,090	1,973	2,054	2,089	6,512	6,032	7,609
Storage	543	574	481	502	460	2,666	2,192	2,295
Services	1,924	1,943	1,984	2,036	2,123	5,352	5,622	7,673
Software & Peripherals	2,579	2,651	2,567	2,569	2,528	10,603	9,499	10,261
Mobility	4,858	4,850	4,716	4,761	4,750	18,604	16,610	18,971
Desktop PCs	3,646	3,584	3,296	3,736	3,415	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		
	Q3-FY11	Q4-FY11	Q1-FY12	Q2-FY12	Q3-FY12	FY09	FY10	FY11
GAAP gross margin	\$ 3,003	\$ 3,291	\$ 3,432	\$ 3,525	\$ 3,469	\$ 10,957	\$ 9,261	\$ 11,396
Non-GAAP adjustments:								
Amortization of intangibles	71	69	71	74	77	59	151	278
Severance and facility actions	4	6	5	-	-	146	236	53
Acquisition-related	-	2	3	26	-	-	1	4
Other ⁽¹⁾	-	-	-	-	-	-	-	-
Stock option accelerated vesting charges	-	-	-	-	-	16	-	-
Non-GAAP gross margin	3,078	3,368	3,511	3,625	3,546	11,178	9,649	11,731
GAAP operating expenses	1,979	2,146	2,220	2,379	2,327	7,767	7,089	7,963
Non-GAAP adjustments:								
Amortization of intangibles	(18)	(16)	(21)	(21)	(23)	(46)	(54)	(71)
Severance and facility actions	(27)	(11)	(14)	-	-	(136)	(245)	(76)
Acquisition-related	(23)	(37)	(50)	(61)	(46)	-	(115)	(94)
Other ⁽¹⁾	-	-	-	-	-	-	-	(140)
Stock option accelerated vesting charges	-	-	-	-	-	(88)	-	-
Non-GAAP operating expenses	1,911	2,082	2,135	2,297	2,258	7,497	6,675	7,582
GAAP operating income	1,024	1,145	1,212	1,146	1,142	3,190	2,172	3,433
Non-GAAP adjustments:								
Amortization of intangibles	89	85	92	95	100	105	205	349
Severance and facility actions	31	17	19	-	-	282	481	129
Acquisition-related	23	39	53	87	46	-	116	98
Other ⁽¹⁾	-	-	-	-	-	-	-	140
Stock option accelerated vesting charges	-	-	-	-	-	104	-	-
Non-GAAP operating income	1,167	1,286	1,376	1,328	1,288	3,681	2,974	4,149
GAAP net income	822	927	945	890	893	2,478	1,433	2,635
GAAP earnings per common share - diluted	\$ 0.42	\$ 0.48	\$ 0.49	\$ 0.48	\$ 0.49	\$ 1.25	\$ 0.73	\$ 1.35
Non-GAAP adjustments:								
Amortization of intangibles	89	85	92	95	100	105	205	349
Severance and facility actions	31	17	19	-	-	282	481	129
Acquisition-related	23	39	53	87	46	-	116	98
Other ⁽¹⁾	(72)	-	-	-	-	-	-	68
Stock option accelerated vesting charges	-	-	-	-	-	104	-	-
Aggregate adjustment for income taxes	(18)	(50)	(59)	(66)	(56)	(117)	(181)	(173)
Non-GAAP adjustments per common share - diluted	\$ 0.03	\$ 0.05	\$ 0.06	\$ 0.06	\$ 0.05	\$ 0.19	\$ 0.32	\$ 0.24
Non-GAAP net income	875	1,018	1,050	1,006	983	2,852	2,054	3,106
Non-GAAP earnings per common share - diluted	\$ 0.45	\$ 0.53	\$ 0.55	\$ 0.54	\$ 0.54	\$ 1.44	\$ 1.05	\$ 1.59
GAAP Diluted WAS	1,949	1,938	1,923	1,871	1,828	1,986	1,962	1,955

Percentage of Total Net Revenue:

GAAP gross margin	19.5%	21.0%	22.9%	22.5%	22.6%	17.9%	17.5%	18.5%
Non-GAAP adjustment	0.5%	0.5%	0.5%	7.0%	0.5%	0.4%	0.7%	0.6%
Non-GAAP gross margin	20.0%	21.5%	23.4%	23.2%	23.1%	18.3%	18.2%	19.1%
GAAP operating expenses	12.8%	13.7%	14.8%	15.2%	15.2%	12.7%	13.4%	12.9%
Non-GAAP adjustment	-0.4%	-0.4%	-0.6%	-0.5%	-0.5%	-0.4%	-0.8%	-0.6%
Non-GAAP operating expenses	12.4%	13.3%	14.2%	14.7%	14.7%	12.3%	12.6%	12.3%
GAAP operating income	6.7%	7.3%	8.1%	7.3%	7.4%	5.2%	4.1%	5.6%
Non-GAAP adjustment	0.9%	0.9%	1.1%	1.2%	1.0%	0.8%	1.5%	1.1%
Non-GAAP operating income	7.6%	8.2%	9.2%	8.5%	8.4%	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									
		Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
WW Client PCs	3	13%	12%	13%	13%	12%	13%	15%	16%	17%	18%	16%	14%	14%	13%	13%
USA	2	24%	22%	23%	22%	22%	24%	29%	32%	35%	36%	33%	29%	29%	24%	23%
EMEA	4	9%	10%	10%	11%	9%	9%	9%	10%	11%	12%	12%	11%	11%	9%	10%
Asia Pacific	3	10%	9%	10%	11%	10%	4%	5%	6%	6%	7%	7%	7%	9%	8%	10%
Japan	5	10%	9%	10%	10%	9%	6%	7%	9%	11%	12%	14%	14%	14%	12%	10%
Desktop PC	3	14%	13%	13%	13%	13%	12%	15%	17%	18%	17%	16%	15%	15%	13%	14%
Portable PC	4	12%	11%	12%	13%	11%	14%	15%	16%	17%	18%	17%	14%	14%	12%	12%
x86**	2	27%	26%	28%	26%	26%	19%	22%	25%	25%	26%	26%	25%	27%	27%	28%
Consumer	6	8%	9%	9%	9%	8%	6%	10%	12%	13%	12%	11%	8%	9%	9%	9%
SMB ¹	4	13%	12%	13%	13%	12%	12%	12%	13%	14%	15%	14%	14%	14%	12%	13%
Public	2	19%	15%	17%	18%	17%	20%	19%	15%	17%	21%	17%	19%	20%	21%	18%
Large Enterprise ²	2	29%	27%	27%	26%	25%	30%	30%	30%	31%	32%	25%	29%	31%	32%	29%

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

**x86 is preliminary Q3 IDC data

¹SMB includes companies with less than 500 employees

²Large Enterprise includes companies more than 500 employees