DELL 2Q FY10
PERFORMANCE REVIEW

Michael Dell
Chairman and CEO

Brian Gladden
Senior Vice President and CFO

August 27, 2009

SAFE HARBOR

Statements in this webcast that relate to future results and events (including statements about our future financial and operating performance, anticipated customer demand and anticipated component prices) are forward-looking statements 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: weakening global economic conditions and instability in financial markets; our ability to reestablish a cost advantage over our competitors; our ability to generate substantial non-U.S. net revenue; our ability to accurately predict product, customer and geographic sales mix and seasonal sales trends; information technology and manufacturing infrastructure failures and breaches in data security; our ability to effectively manage periodic product transitions; disruptions in component or product availability; our reliance on vendors for quality product components, including reliance on several single-source or limited-source suppliers; our ability to access the capital markets; risks relating to our internal controls; unfavorable results of legal proceedings, including the continuing SEC investigation into certain accounting and financial reporting matters; our acquisition of other companies; our ability to properly manage the distribution of our products and services; the success of our cost-cutting measures; effective hedging of our exposure to fluctuations in foreign currency exchange rates and interest rates; counterparty default risks; obtaining licenses to intellectual property developed by others on commercially reasonable and competitive terms; our ability to attract, retain and motivate key personnel; loss of government contracts; expiration of tax holidays or favorable tax rate structures, or changes in tax laws; changing environmental laws; and the effect of armed hostilities, terrorism, natural disasters and public health issues. For a discussion of those and other factors affecting our business and prospects, see Dell's periodic filings with the Securities and Exchange Commission. We assume no obligation to update forward-looking statements.

DELL 2Q FY10
EARNINGS REVIEW

Brian Gladden

Senior Vice President and CFO

ENVIRONMENT

July 2009 View

1. Demand stabilizing but varies significantly by customer segment and geography
2. Customers are deferring purchases and budgets likely to remain pressured through end of 2009
3. Modest gross margin pressure the result of higher component costs, a competitive pricing environment, and mix dynamics
4. Direct model lets Dell anticipate and react
5. Component cost pressure

Current View

- Ongoing signs of stabilization
- Too early to call an inflection point

- Customers deferring purchase with budgets pressured through end of 2009
- Believe a refresh cycle in commercial will be more of a calendar 2010 story

- Solid progress on COGS initiatives, disciplined pricing particularly in July and growth in enterprise products offset pressure we saw from component costs, competitive pricing, and mix dynamics

- Strong results in Public
- Consumer continues to gain share globally

- Pressure on components, particularly memory and LCDs, continuing

2Q FY10 ACCOMPLISHMENTS

Key Opportunities	Results
1. Balance profitability, liquidity and growth	▪ Stable profitability and improved liquidity
2. Scale cost structure to realities of demand environment	▪ Improved manufacturing efficiencies ▪ Cost out activities continue
3. Launch new products	▪ Cost, design & value leadership – EqualLogic PS4000 with all-inclusive data management software – Vostro all-in-one
4. Public vertical-specific products and solutions	▪ High performance computing digital forensics ▪ Ruggedized XFR laptop ▪ Latitude 2100 for schools
5. Optimize liquidity & structural changes in working capital	▪ Improved CCC to negative -35 days ▪ $12.7B cash & investment ▪ Successful $1.0B debt issue

2Q FY10 CONSOLIDATED RESULTS

Consolidated P&L

$ in Millions – except Units and EPS

	2Q'09	1Q'10	2Q'10	Y/Y Growth	Seq Growth
Units (thousands)	11,547	9,096	9,980	-14%	10%
Revenues	16,434	12,342	12,764	-22%	3%
Gross Margin	2,827	2,168	2,391	-15%	10%
GM % of revenue	*17.2%*	*17.6%*	*18.7%*	*150 bps*	*110 bps*
Operating Expenses	2,008	1,754	1,720	-14%	-2%
Opex % of revenue	*12.2%*	*14.2%*	*13.5%*	*130 bps*	*-70 bps*
Operating Income	819	414	671	-18%	62%
OpInc % of revenue	*5.0%*	*3.4%*	*5.2%*	*20 bps*	*180 bps*
Income Before Taxes	837	412	629	-25%	53%
Income Tax	221	122	157	-29%	29%
Effective Tax Rate %	*26.4%*	*29.6%*	*25.0%*	*-140 bps*	*-460 bps*
Net Income	616	290	472	-23%	63%
NI % of revenue	*3.7%*	*2.3%*	*3.7%*	*0 bps*	*140 bps*
Diluted EPS	$0.31	$0.15	$0.24	-23%	60%

Dynamics – year-over-year

- Revenue down -22% to $12.8B driven by soft demand in commercial segment and our decision to optimize profitability in this environment
- A $69 million buyout of a revenue-sharing agreement by a vendor was worth about 50bps to gross margin
- Opex was down -14% and was 13.5% of revenue
- Organizational effectiveness expense was $87M impacting EPS by $0.04
- Tax rate for 2Q was 25.0%
- EPS was $0.24

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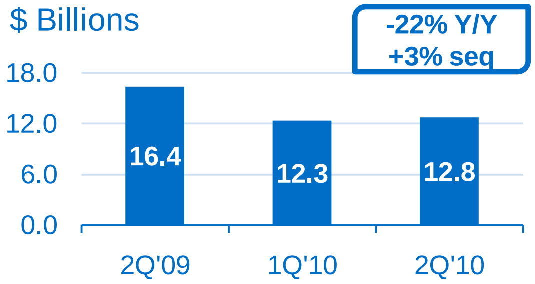
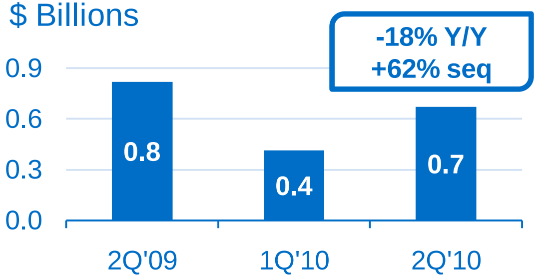
2Q FY10 KEY PERFORMANCE METRICS

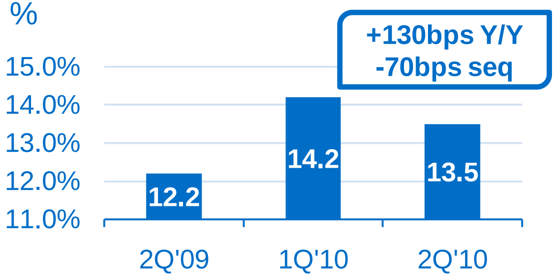
Revenue
$ Billions



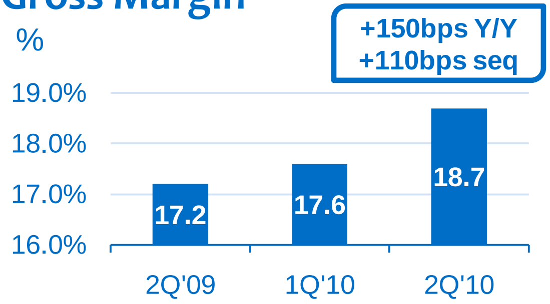
Operating Income
$ Billions



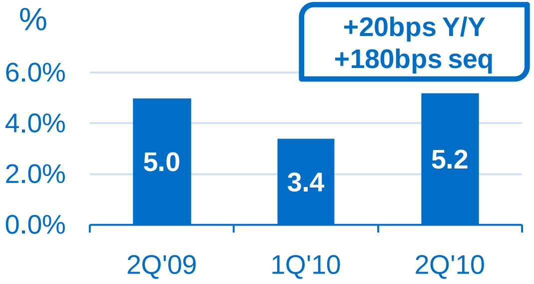
Operating Expense
%



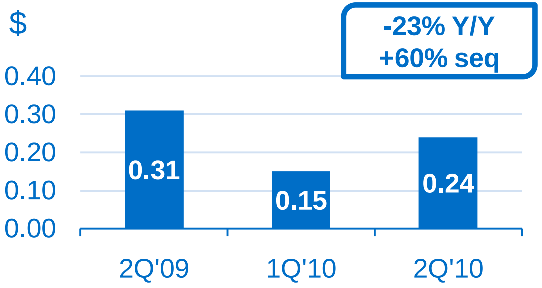
Gross Margin
%



Operating Income %
%



EPS
$



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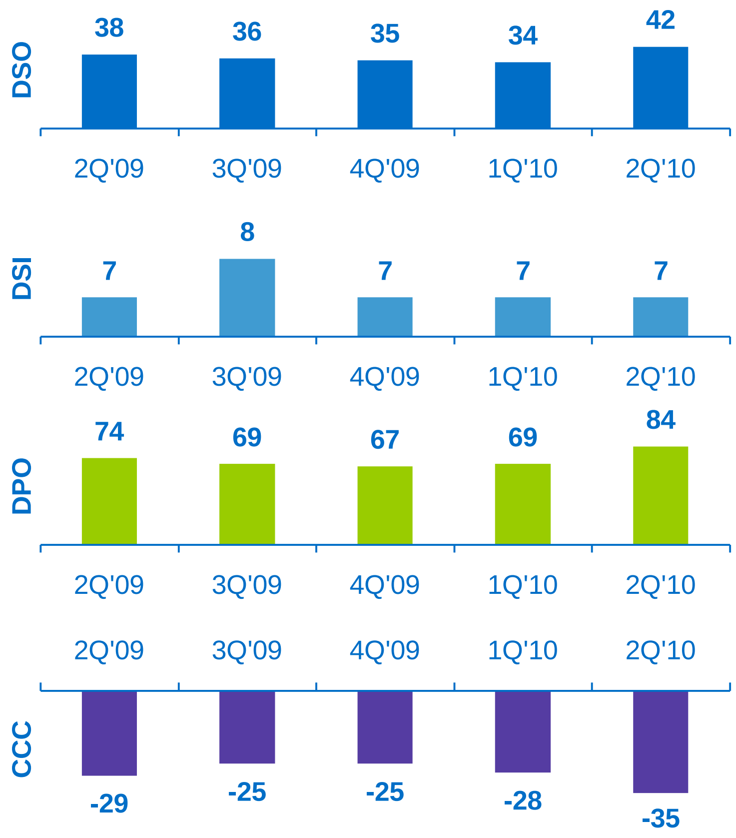
WORKING CAPITAL

Cash Conversion Cycle (CCC)

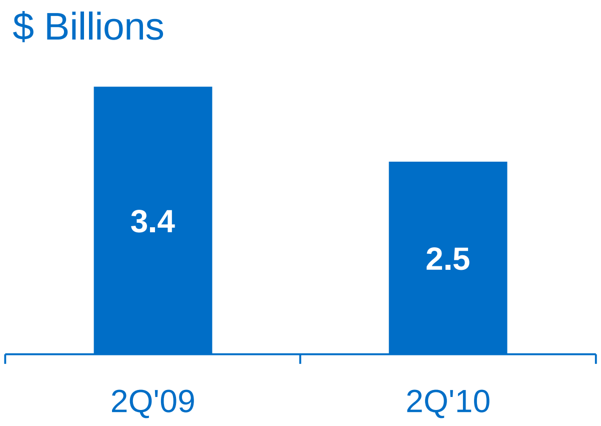


Dynamics

- CCC improved 7 days sequentially to negative -35 days vs. -28 days in 1Q
- Days sales increase +8 days as a result of an increased mix of public and consumer retail sales related to back to school, though the quality of aged receivables actually improved in the quarter
- Days inventory remained flat
- Days payables increased +15 days to 84 largely as a result of structural improvements in supply chain, our ongoing transition to contract manufacturing and linearity
- Continue to believe that over time we can generate cash flow from operations in excess of net income and can operate at a CCC of -30 days or better

CASH FLOW

Cash Flow from Ops (CFOps) [1]



[1] *Trailing Twelve Months*

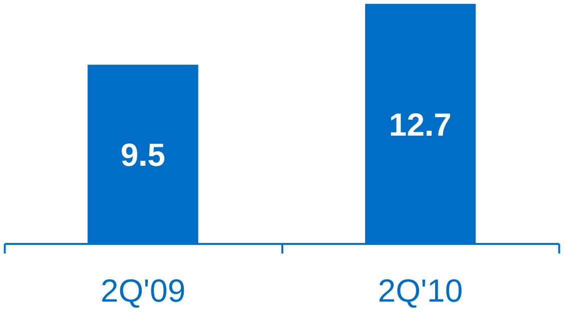
Dynamics

- Generally as growth stabilizes and improves sequentially, payables increase faster than receivables and inventories and generate significant operating cash flow
- CFOps of $1.1B
- Balancing capital allocation requirements
  - Continue to forgo share repurchase and maintain a more conservative liquidity position
  - Continue to retain flexibility for strategic alternatives

BALANCE SHEET & DEBT

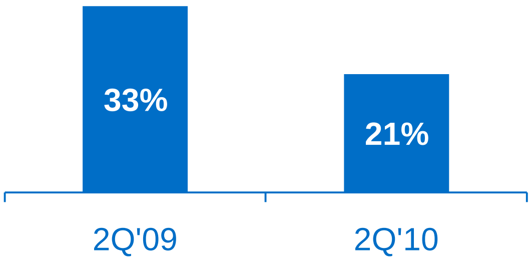
Cash & Investments

$ Billions



Return on Total Capital

%



Dynamics

- $12.7B in cash and investments – strong balance sheet
- Commercial Paper
  - Capacity available to issue up to $1.5B
- Debt Issuance
  - $1B in 3- and 10-year notes
  - We will continue to monitor the overall capital and financial markets for any future cash needs
- FX and Investments
  - Monitoring counterparty risk

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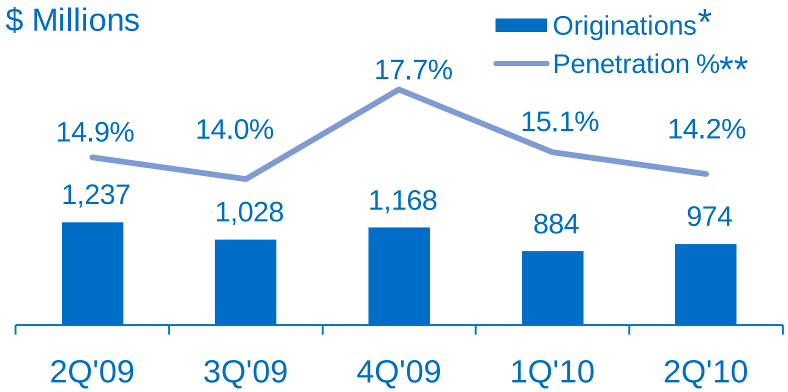
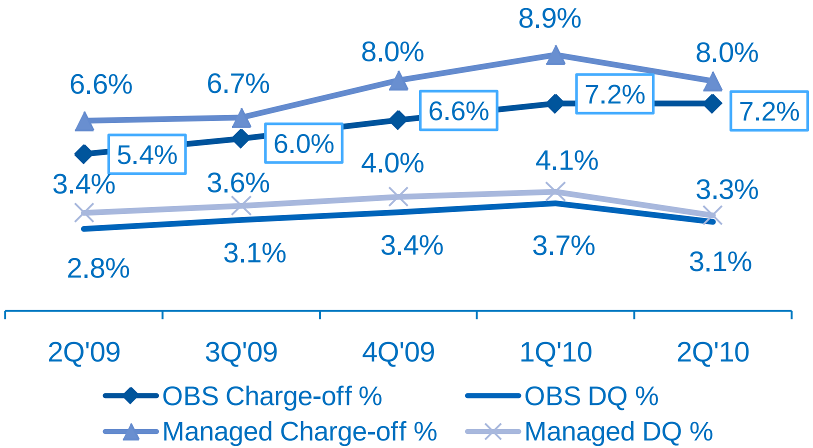
DELL FINANCIAL SERVICES

U.S. New Financing Originations



* *% of U.S. Dell revenue that is financed by DFS*
** *Reflects seasonality of consumer business*

Losses & Delinquencies



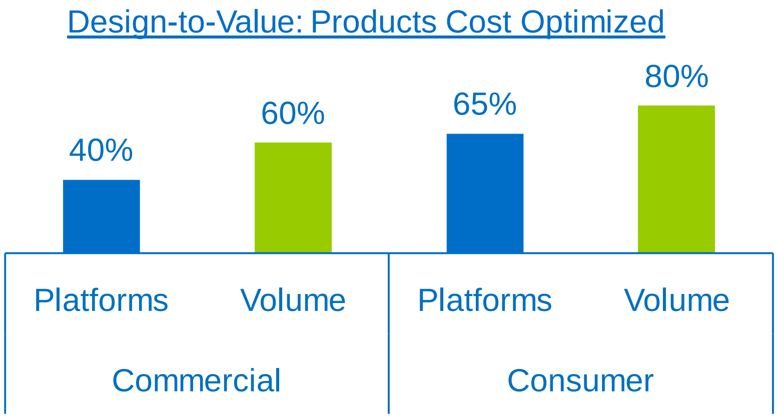
Dynamics

- 2Q Originations increase reflects higher Dell US revenue
- Improvement in managed basis delinquency and losses reflect impact of credit actions and general industry trends
  - Managed basis statistics include on-balance sheet customer receivables, revolving receivables previously securitized and securitized fixed receivables
  - Revolving receivables previously securitized in conduit now consolidated on balance sheet as debt balance fell below 10% in 2Q
- Allowance for loss as a % of customer receivables on-balance sheet at 9.9% vs. 9.6% in Q1 (allowances and customer receivables exclude previously securitized revolving receivables and securitized fixed receivables)

DISCIPLINED COST CONTROL

COGS & OPEX

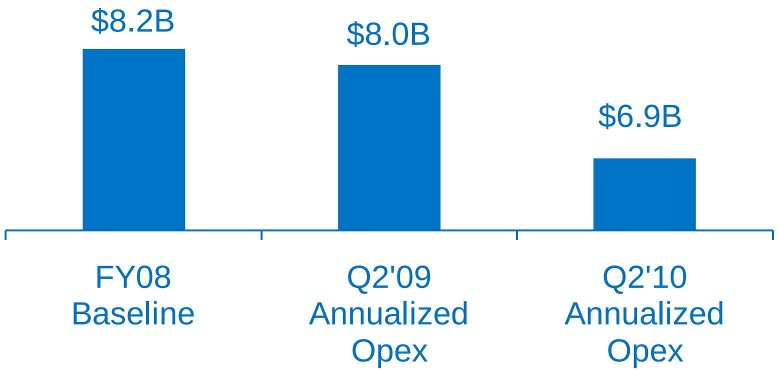
COGS Trends



Dynamics

- Continue to cost optimize product portfolio
- In “design-to-value”, 40% of business client and 65% of consumer platforms have been cost optimized
- Approximately, 40% of our volume is now going through contract manufacturers

Opex Trends



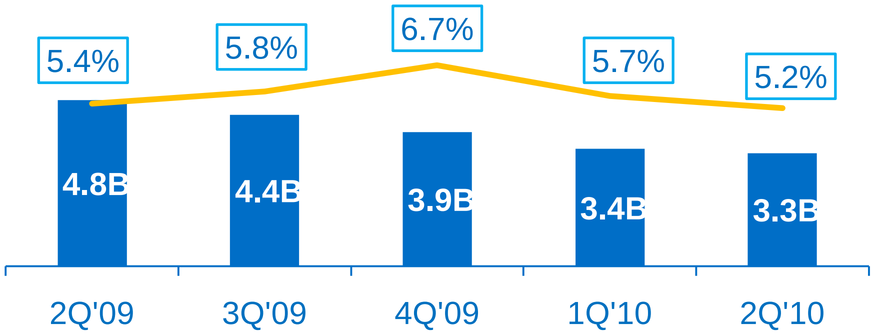
FY10 Priorities

- Operating expense was down -14% Y/Y
- Excluding the Opex impact of costs related to OE, 2Q’10 adjusted Opex was down $347 million or -17%year-over-year. *

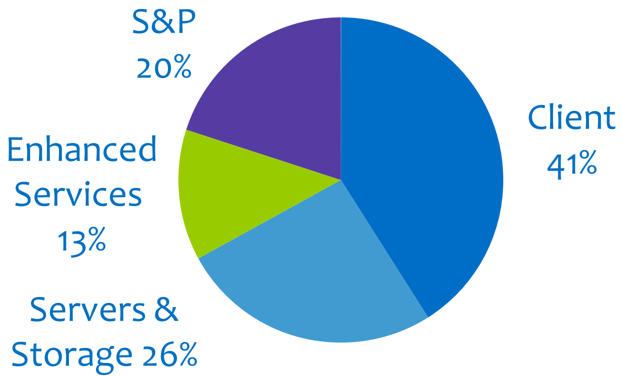
* *Organizational effectiveness: 2Q’09 Opex expense of $14M, and 2Q’10 Opex expense of $73M*

2Q FY10 LARGE ENTERPRISE

Revenue & Operating Income



Revenue Mix



Large Enterprise P&L

$ in Millions	2Q'09	3Q'09	4Q'09	1Q'10	2Q'10
Revenues	4,806	4,395	3,889	3,400	3,285
Sequential Growth, %	*-2%*	*-9%*	*-12%*	*-13%*	*-3%*
Y/Y Growth, %				*-31%*	*-32%*
Operating Income	259	254	259	192	172
Operating Income, %	*5.4%*	*5.8%*	*6.7%*	*5.7%*	*5.2%*
Sequential Growth, bps	*-240 bps*	*40 bps*	*90 bps*	*-100 bps*	*-50 bps*
Y/Y Growth, bps				*-210 bps*	*-20 bps*

Dynamics

- Revenues of $3.3B were down -32% Y/Y
- Operating income was $172M, and decreased -50bps seq to 5.2% due to aggressive competitive pricing environment
- Units increased +5% seq and declined -32% Y/Y
- Operating expenses were down -26% Y/Y

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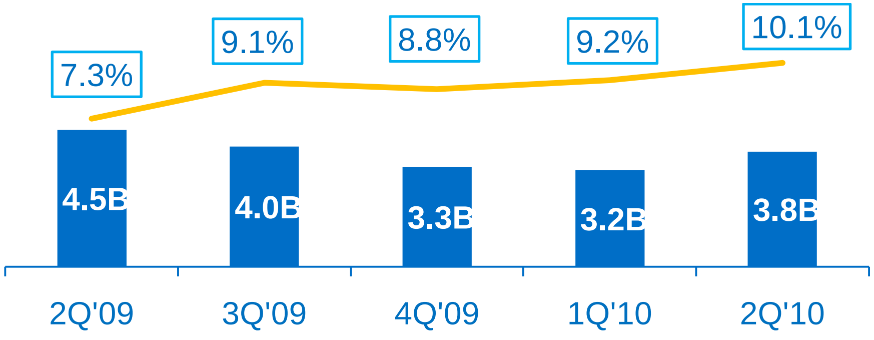
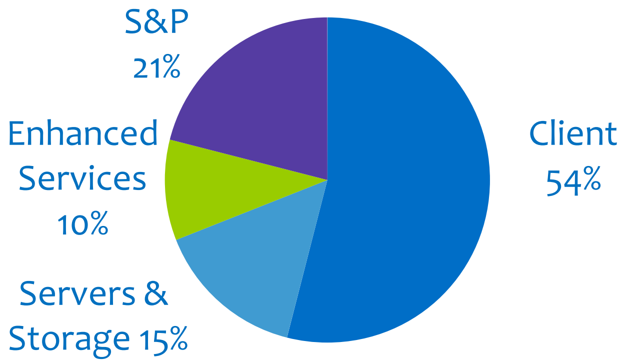
2Q FY10 PUBLIC

Revenue & Operating Income



Revenue Mix



Public P&L

$ in Millions	2Q'09	3Q'09	4Q'09	1Q'10	2Q'10
Revenues	4,510	3,960	3,287	3,171	3,798
Sequential Growth, %	*26%*	*-12%*	*-17%*	*-4%*	*20%*
Y/Y Growth, %				*-11%*	*-16%*
Operating Income	331	361	289	293	383
Operating Income, %	*7.3%*	*9.1%*	*8.8%*	*9.2%*	*10.1%*
Sequential Growth, bps	*-40 bps*	*180 bps*	*-30 bps*	*40 bps*	*90 bps*
Y/Y Growth, bps				*150 bps*	*280 bps*

Dynamics

- Revenues of $3.8B were up +20% seq
- Operating income was $383M, and improved to 10.1% due to continued cost improvement
- Dell's larger government accounts and seasonal demand in education partially offset weaker demand in other accounts
- Units increased +31% seq and declined -15% Y/Y
- Operating expenses were down -14% Y/Y

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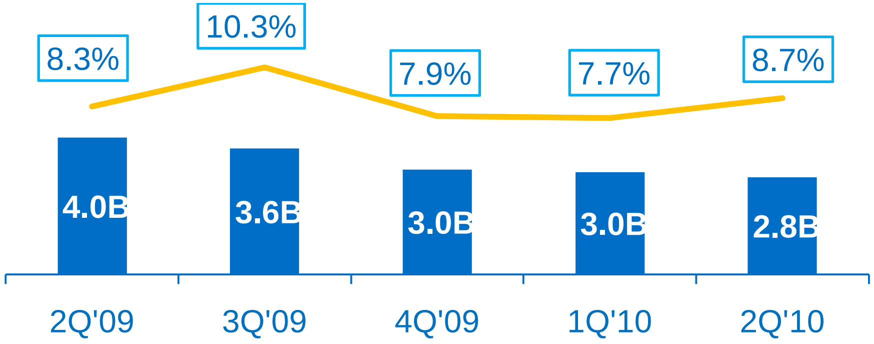
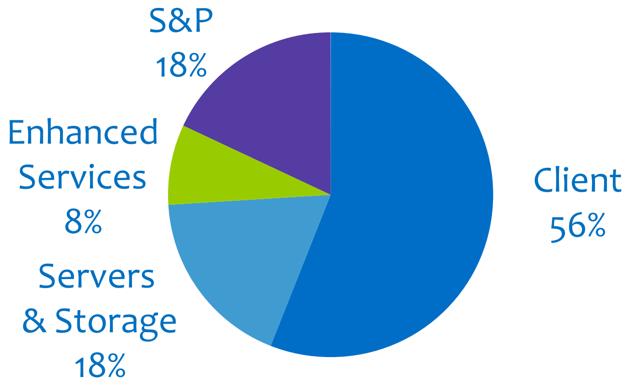
2Q FY10 SMB

Revenue & Operating Income



Revenue Mix



SMB P&L

$ in Millions	2Q'09	3Q'09	4Q'09	1Q'10	2Q'10
Revenues	3,958	3,647	3,043	2,967	2,820
Sequential Growth, %	*-7%*	*-8%*	*-17%*	*-2%*	*-5%*
Y/Y Growth, %				*-30%*	*-29%*
Operating Income	330	374	239	230	246
Operating Income, %	*8.3%*	*10.3%*	*7.9%*	*7.7%*	*8.7%*
Sequential Growth, bps	*50 bps*	*200 bps*	*-240 bps*	*-20 bps*	*100 bps*
Y/Y Growth, bps				*-10 bps*	*40 bps*

Dynamics

- Revenues of $2.8B were down -29% Y/Y
- Operating income was $246M, and increased +100bps seq and +40bps Y/Y
- IT demand was strongest in Asia and weaker in EMEA
- Units increased +1% seq and -25% Y/Y
- Operating expenses were down -23% Y/Y

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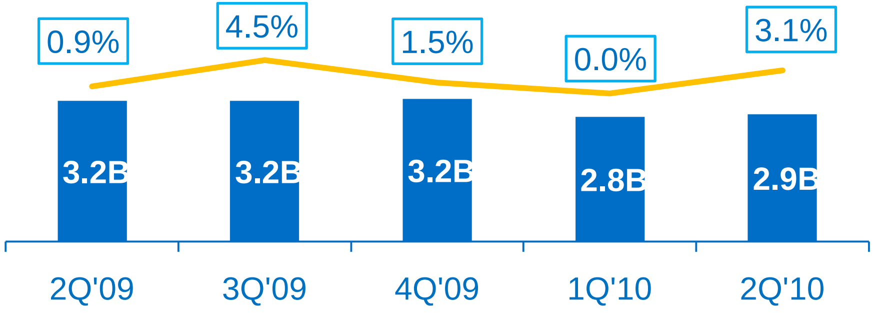
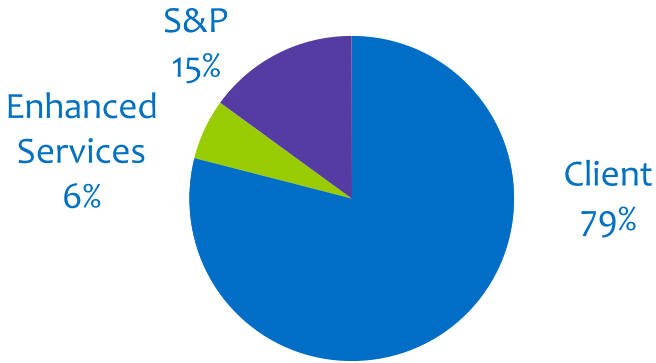
2Q FY10 CONSUMER

Revenue & Operating Income



Revenue Mix



Consumer P&L

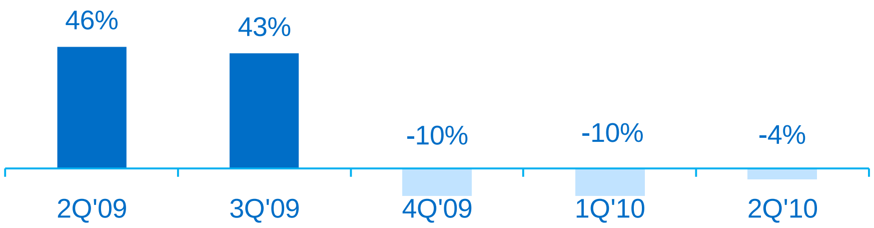
$ in Millions	2Q'09	3Q'09	4Q'09	1Q'10	2Q'10
Revenues	3,160	3,160	3,209	2,804	2,861
Sequential Growth, %	*-5%*	*0%*	*2%*	*-14%*	*2%*
Y/Y Growth, %				*-16%*	*-9%*
Operating Income	29	142	47	(1)	89
Operating Income, %	*0.9%*	*4.5%*	*1.5%*	*0.0%*	*3.1%*
Sequential Growth, bps	*-170 bps*	*360 bps*	*-300 bps*	*-150 bps*	*310 bps*
Y/Y Growth, bps				*-260 bps*	*220 bps*

Dynamics

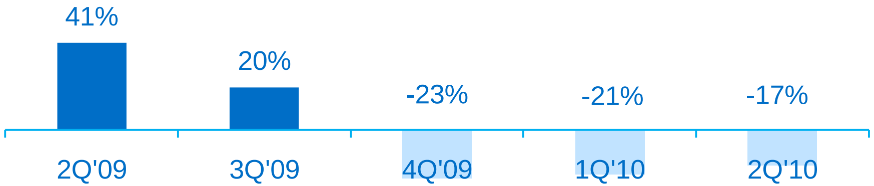
- Revenues were $2.9B, up +2% seq
- Operating income was $89M
- Units increased +5% seq and up +17% Y/Y; Notebook units up +30% Y/Y, while desktop units down -11% Y/Y
- Operating expenses were down -10% Y/Y
- 40,000+ outlets on a global basis

2Q FY10 BRIC COUNTRIES

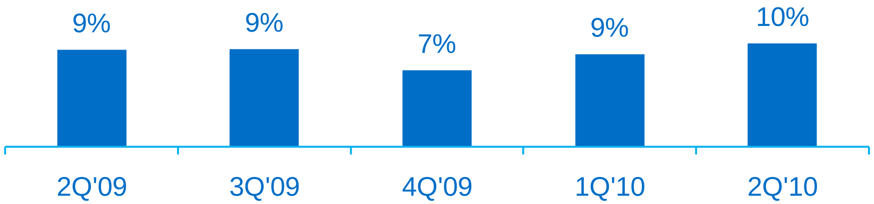
Unit Growth Y/Y, %



Revenue Growth Y/Y, %



% of Dell Total Revenue



Dynamics

- Our total BRIC countries revenue posted a decline of -17% from the year ago period, but up 16% sequentially
- Brazil and China were better on a sequential basis while declines in Russia were most pronounced year over year
- China is showing signs of recovery with units up 9% sequentially
- BRIC countries made up 10% of revenue while revenue outside of the U.S. was 44% of our total mix

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2Q FY10 PRODUCT SUMMARY

Product Revenue Trends

LOB	2Q'09	3Q'09	4Q'09	1Q'10	2Q'10
Desktop PCs	4,954	4,091	3,538	3,163	3,319
Mobility	4,895	4,861	3,999	3,875	3,891
Servers	1,733	1,630	1,431	1,286	1,403
Storage	690	630	703	534	551
Services	1,372	1,365	1,270	1,238	1,218
S&P	2,790	2,585	2,487	2,246	2,382
Total	**16,434**	**15,162**	**13,428**	**12,342**	**12,764**
Revenue Trends Q/Q					
Desktop PCs	*4%*	*-17%*	*-14%*	*-11%*	*5%*
Mobility	*1%*	*-1%*	*-18%*	*-3%*	*0%*
Servers	*1%*	*-6%*	*-12%*	*-10%*	*9%*
Storage	*7%*	*-9%*	*12%*	*-24%*	*3%*
Services	*2%*	*-1%*	*-7%*	*-3%*	*-2%*
S&P	*2%*	*-7%*	*-4%*	*-10%*	*6%*
Total	***2%***	***-8%***	***-11%***	***-8%***	***3%***
Revenue Trends Y/Y					
Desktop PCs	*-1%*	*-14%*	*-27%*	*-34%*	*-33%*
Mobility	*27%*	*3%*	*-17%*	*-20%*	*-21%*
Servers	*7%*	*-1%*	*-11%*	*-25%*	*-19%*
Storage	*13%*	*1%*	*8%*	*-17%*	*-20%*
Services	*7%*	*1%*	*-9%*	*-8%*	*-11%*
S&P	*17%*	*2%*	*-6%*	*-18%*	*-15%*
Total	***11%***	***-3%***	***-16%***	***-23%***	***-22%***

Dynamics – year-over-year

- Desktop units were down -23% with revenue declining -33%
- Mobility units were flat and revenue was down -21% due to the soft demand environment and change in mix
- Server revenue was down -19% on an -23% decline in units; and up +9% and +12% sequentially, respectively
- Storage revenue was down -20%, with EqualLogic revenue up 42%
- Enhanced services revenue declined by -11% to $1.2B.Our deferred revenue balance grew +2% to $5.8 billion
- Software and peripherals revenue declined -15%

2Q FY10 CORPORATE RESPONSIBILITY

Key Opportunities	Results
1. 2009 Corporate Sustainability Report	▪ Achieved carbon neutrality in our global operations ▪ Became a charter member of the Business Ethics Leadership Alliance ▪ We are releasing information about Dell's Tier 1 suppliers
2. Expand Dell YouthConnect and achieve measurable community impact	▪ India well underway with 65,000 Youth Impacted ▪ Mexico and Brazil in country launch and employee volunteering in September ▪ China on track for September launch
3. Establish global giving governance	▪ Giving Policy implemented, Giving Council governing charitable giving

DELL OUTLOOK

- We will prioritize those initiatives and opportunities that drive a balance of liquidity, profitability and growth. We have a strong bias towards delivering cash returns. Our disciplined execution on working capital and our ongoing cost initiatives will continue to fuel our results here.
- The second quarter saw better demand sequentially; particularly in the U.S. and parts of Asia where we are seeing some signs of stabilization, albeit at relatively low levels of demand. We do believe it is too early to say we have hit an inflection point, particularly given our mix of commercial accounts in large enterprise and SMB where we continue to see significant year-over-year demand declines.
- For our third quarter, we expect to see some seasonal demand improvements from our federal government and consumer businesses; but it's also important to note that the first part of Q3 is generally a period of slower demand from large commercial customers in the U.S. and Europe. From a trending standpoint, we do expect overall revenue for the second half of the fiscal year to be stronger than the first half, assuming the current demand trends continue.
- We believe that a refresh cycle in commercial accounts will be a calendar 2010 story. We remain confident that a significant majority of commercial customers are deferring purchases and will accelerate IT spending to take advantage of technology driven productivity improvements. This acceleration remains predicated on an improving economy and related improvements in customer profits and government tax receipts.
- While pleased with our gross margin performance and ability to offset component and pricing pressure in Q2, we continue to see headwinds in component costs where we have line of sight to increases in panels and memory in the current quarter.
- Finally, we expect to continue to absorb OE expenses this year as we align our business to improve competitiveness.

DELL 2Q FY10
STRATEGY AND PROGRESS

Michael Dell

Chairman and CEO

1H FY10 PERFORMANCE

Company Performance

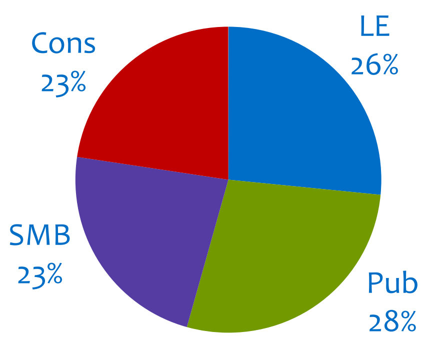
Revenue	$25.1B
EPS (excluding OE)*	$0.52
Cash Flow	$1.8B

* *Organizational effectiveness:*
1Q'10 expense of $185M, or nine cents after tax, and 2Q'10 expense of $87M, or four cents after tax

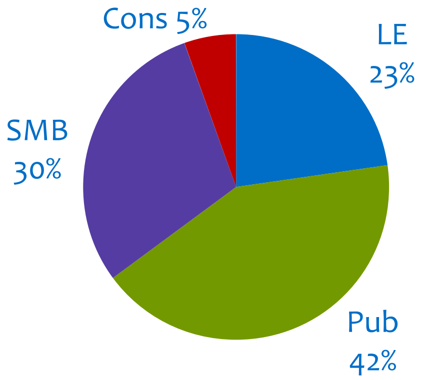
Business Unit Performance

	LE	Pub	SMB	Cons
Revenue	$6.7B	$7.0B	$5.8B	$5.7B
OpInc	$364M	$676M	$476M	$88M
OpInc %	5.4%	9.7%	8.2%	1.6%

Revenue Mix



OpInc Mix



See Financial History at www.dell.com\investor

FY10 ENTERPRISE PRODUCTS

EqualLogic PS4000

Dell EqualLogic PS4000 Storage

- Affordable entry point to PS Series for remote offices and small medium businesses
- Self optimized performance
- Virtualized scale out architecture ideal for server virtualization and storage consolidation
- Enterprise-class replication software included at no extra cost

Data Cloud Computing Solutions

DCS Cloud Solutions

- DCS assesses customer's workload requirements and datacenter environment; engineers optimize designs at the component, system, rack and datacenter levels
- DCS allows customers to benefit from the density, energy efficiency and reduction of deployment complexity

PowerEdge Blades Servers

PowerEdge Modular Blades

- Only Dell provides complete, scale on-demand switch designs. With additional I/O slots and switch options
- Dell's FlexIO modular switch technology lets easy scalability with no need to waste current investment with a "rip and replace" upgrade
- Flexibility and scalability to maximize TCO.