

## DELL INC.

### Condensed Consolidated Statement of Financial Position

(in millions)

(unaudited)

#### Assets:

Cash & cash equivalents	\$ 11,699	\$ 12,795	\$ 10,635	\$ 10,255	\$ 11,694
Short-term investments	299	331	373	627	744
Accounts receivable, net	5,403	5,279	5,837	5,880	6,565
Financing receivables, net	2,252	2,318	2,706	3,221	3,272
Inventories, net	839	952	1,051	1,182	1,372
Other	3,348	3,196	3,643	3,619	3,562
<b>Total current assets</b>	<b>23,840</b>	<b>24,871</b>	<b>24,245</b>	<b>24,784</b>	<b>27,209</b>
PP&E, net	2,117	1,978	2,181	2,049	1,980
Investments	746	828	781	714	633
Long-term financing receivable, net	263	311	332	528	622
Other non-current assets	3,092	3,037	6,113	6,166	6,196

#### Total assets:

#### Liabilities & Stockholders Equity:

Short-term borrowings	49	351	663	1,079	1,627
Accounts payable	9,698	9,947	11,373	11,402	12,465
Accrued and other	3,709	3,637	3,884	3,549	3,812
Short-term deferred services revenue	2,831	2,926	3,040	2,950	3,009
<b>Total current liabilities</b>	<b>16,287</b>	<b>16,861</b>	<b>18,960</b>	<b>18,980</b>	<b>20,913</b>
Long-term debt	3,394	3,442	3,417	3,582	3,623
Other non-current liabilities	2,701	2,643	2,605	2,607	2,632
Long-term deferred services revenue	3,051	3,054	3,029	3,194	3,311

#### Total liabilities:

Redeemable common stock and capital in excess of par

Stockholder's equity:

#### Total liabilities & equity:

	Prior Quarter Results				
	Q2-FY10	Q3-FY10	Q4-FY10	Q1-FY11	Q2-FY11
	\$ 11,699	\$ 12,795	\$ 10,635	\$ 10,255	\$ 11,694
	299	331	373	627	744
	5,403	5,279	5,837	5,880	6,565
	2,252	2,318	2,706	3,221	3,272
	839	952	1,051	1,182	1,372
	3,348	3,196	3,643	3,619	3,562
<b>Total current assets</b>	<b>23,840</b>	<b>24,871</b>	<b>24,245</b>	<b>24,784</b>	<b>27,209</b>
PP&E, net	2,117	1,978	2,181	2,049	1,980
Investments	746	828	781	714	633
Long-term financing receivable, net	263	311	332	528	622
Other non-current assets	3,092	3,037	6,113	6,166	6,196
	<b>30,058</b>	<b>31,025</b>	<b>33,652</b>	<b>34,241</b>	<b>36,640</b>
	49	351	663	1,079	1,627
	9,698	9,947	11,373	11,402	12,465
	3,709	3,637	3,884	3,549	3,812
	2,831	2,926	3,040	2,950	3,009
<b>Total current liabilities</b>	<b>16,287</b>	<b>16,861</b>	<b>18,960</b>	<b>18,980</b>	<b>20,913</b>
Long-term debt	3,394	3,442	3,417	3,582	3,623
Other non-current liabilities	2,701	2,643	2,605	2,607	2,632
Long-term deferred services revenue	3,051	3,054	3,029	3,194	3,311
	<b>25,433</b>	<b>26,000</b>	<b>28,011</b>	<b>28,363</b>	<b>30,479</b>
	-	-	-	-	-
	<b>4,625</b>	<b>5,025</b>	<b>5,641</b>	<b>5,878</b>	<b>6,161</b>
	<b>30,058</b>	<b>31,025</b>	<b>33,652</b>	<b>34,241</b>	<b>36,640</b>

	Prior Annual Results (As Restated)		
	FY08	FY09	FY10
	\$ 7,764	\$ 8,352	\$ 10,635
	208	740	373
	5,961	4,731	5,837
	1,732	1,712	2,706
	1,180	867	1,051
	3,035	3,749	3,643
	<b>19,880</b>	<b>20,151</b>	<b>24,245</b>
	2,668	2,277	2,181
	1,560	454	781
	407	500	332
	3,046	3,118	6,113
	<b>27,561</b>	<b>26,500</b>	<b>33,652</b>
	225	113	663
	11,492	8,309	11,373
	4,323	3,736	3,884
	2,486	2,701	3,040
	<b>18,526</b>	<b>14,859</b>	<b>18,960</b>
	362	1,898	3,417
	2,070	2,472	2,605
	2,774	3,000	3,029
	<b>23,732</b>	<b>22,229</b>	<b>28,011</b>
	94	-	-
	<b>3,735</b>	<b>4,271</b>	<b>5,641</b>
	<b>27,561</b>	<b>26,500</b>	<b>33,652</b>

## 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	201	191	259	247	264
Stock-based compensation	79	65	101	76	80
In-process research and development charges	-	-	-	-	-
Effects of exchange rate changes on monetary assets and liabilities denominated in foreign currencies	26	32	1	30	7
Deferred income taxes	(114)	52	36	(31)	(24)
Provision for doubtful accounts - including financing receivables	105	80	139	122	95
Other	1	56	27	-	4
Changes in assets and liabilities, net of effects from acquisitions:					
Accounts receivable	(973)	137	(204)	(119)	(777)
Financing receivables	(352)	(177)	(529)	(208)	(205)
Inventories	5	(112)	(100)	(132)	(186)
Other assets	(571)	117	(318)	69	(33)
Accounts payable	1,801	233	1,282	22	1,109
Deferred services revenue	69	(10)	101	72	193
Accrued and other liabilities	327	(200)	139	(251)	263

#### Change in cash from operating activities:

<b>1,076</b>	<b>801</b>	<b>1,268</b>	<b>238</b>	<b>1,335</b>
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#### Cash flows from investing activities:

Investments:					
Purchases	(348)	(406)	(201)	(350)	(713)
Maturities and sales	340	325	231	169	669
Capital expenditures	(99)	(70)	(118)	(46)	(145)
Proceeds from sale of facility and land	16	-	-	-	18
Acquisition of business, net of cash received	-	-	(3,610)	(133)	(89)

#### Change in cash from investing activities:

<b>(91)</b>	<b>(151)</b>	<b>(3,698)</b>	<b>(360)</b>	<b>(260)</b>
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#### Cash flows from financing activities:

Repurchase of common stock	-	-	-	(200)	(200)
Issuance of common stock under employee plans	-	-	2	7	2
Issuance of commercial paper (maturity of 90 days or less), net	(100)	143	33	234	490
Proceeds from debt	994	257	310	268	341
Repayments of debt	-	(50)	(60)	(566)	(253)
Other	-	-	(2)	3	(1)

#### Change in cash from financing activities:

<b>894</b>	<b>350</b>	<b>283</b>	<b>(254)</b>	<b>379</b>
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Effect of exchange rate changes on cash and cash equivalents

129	96	(13)	(4)	(15)
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#### Change in cash and cash equivalents:

<b>2,008</b>	<b>1,096</b>	<b>(2,160)</b>	<b>(380)</b>	<b>1,439</b>
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Cash and cash equivalents at beginning of period:

9,691	11,699	12,795	10,635	10,255
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#### Cash and cash equivalents at end of period:

<b>11,699</b>	<b>12,795</b>	<b>10,635</b>	<b>10,255</b>	<b>11,694</b>
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#### Prior Annual Results (As Restated)

FY08	FY09	FY10 <sup>1</sup>
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\$ 2,947	\$ 2,478	\$ 1,433
607	769	852
329	418	312
83	2	-
30	(115)	59
(308)	86	(52)
187	310	429
30	32	102
(1,086)	480	(660)
(394)	(302)	(1,085)
(498)	309	(183)
(121)	(106)	(225)
837	(3,117)	2,833
1,032	663	135
274	(13)	(44)
<b>3,949</b>	<b>1,894</b>	<b>3,906</b>

(2,394)	(1,584)	(1,383)
3,679	2,333	1,538
(831)	(440)	(367)
-	44	16
(2,217)	(176)	(3,613)
<b>(1,763)</b>	<b>177</b>	<b>(3,809)</b>

(4,004)	(2,867)	-
136	79	2
(100)	100	76
66	1,519	2,058
(165)	(237)	(122)
(53)	-	(2)
<b>(4,120)</b>	<b>(1,406)</b>	<b>2,012</b>

152	(77)	174
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<b>(1,782)</b>	<b>588</b>	<b>2,283</b>
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9,546	7,764	8,352
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<b>7,764</b>	<b>8,352</b>	<b>10,635</b>
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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)*

	Prior 5 Quarter Results					FY08 <sup>3</sup>	FY09	FY10
	Q2-FY10	Q3-FY10	Q4-FY10	Q1-FY11	Q2-FY11			
<b>Liquidity:</b>								
<b>Current ratio</b>	1.46	1.48	1.28	1.31	1.30	1.10	1.36	1.28
<b>Quick ratio</b>	1.41	1.42	1.22	1.24	1.24	1.03	1.30	1.22
<b>Cash conversion cycle<sup>d</sup></b>	(35)	(36)	(36)	(36)	(36)	(36)	(25)	(36)
Days supply in inventory	7	8	8	9	10	8	7	8
Days of sales outstanding <sup>a</sup>	42	40	38	38	41	36	35	38
Days in accounts payable	84	84	82	83	87	80	67	82
<b>Cash flow (millions):</b>								
Cash flow from operations	\$ 1,076	\$ 801	\$ 1,268	\$ 238	\$ 1,335	\$3,949	\$1,894	\$3,906
Net free cash flows <sup>b</sup>	\$ 1,329	\$ 908	\$ 1,679	\$ 400	\$ 1,395	\$3,512	\$1,756	\$4,624
<b>Cash and investments</b>	<b>\$12,744</b>	<b>\$13,954</b>	<b>\$11,789</b>	<b>\$11,596</b>	<b>\$13,071</b>	<b>\$9,532</b>	<b>\$9,546</b>	<b>\$11,789</b>
<b>Shares repurchased (millions)</b>	-	-	-	200	200	179	133	-
<b>Profitability:</b>								
<b>Return on total capital<sup>c</sup></b>	21%	16%	14%	13%	19%	38%	33%	17%
<b>Gross margin</b>	18.7%	17.3%	16.6%	16.9%	16.6%	19.1%	17.9%	17.5%
<b>Opex as percentage of revenue</b>	13.5%	12.8%	13.2%	13.4%	11.8%	13.5%	12.7%	13.4%
<b>Operating margin</b>	5.2%	4.5%	3.4%	3.5%	4.8%	5.6%	5.2%	4.1%
<b>Income tax rate</b>	25.0%	34.5%	28.7%	24.4%	21.7%	23.0%	25.4%	29.2%
<b>Net profit margin</b>	3.7%	2.6%	2.2%	2.3%	3.5%	4.8%	4.1%	2.7%
<b>WAS -- Diluted</b>	1,960	1,966	1,971	1,973	1,960	2,247	1,986	1,962
<b>EPS (diluted)</b>	\$ 0.24	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.28	\$1.31	\$1.25	\$0.73
<b>Growth:</b>								
<b>Units Y/Y</b>	-14%	-5%	16%	20%	16%	5%	7%	-6%
<b>Revenue Y/Y:</b>	-22%	-15%	11%	21%	22%	6%	0%	-13%
Global Large Enterprise	-32%	-23%	8%	25%	38%			
Global Public	-16%	-7%	16%	22%	21%			
Global Small and Medium Business	-29%	-19%	10%	19%	25%			
Global Consumer	-9%	-10%	11%	16%	0%			
<b>% of Total Revenue by Business Unit:</b>								
Global Large Enterprise	26%	26%	28%	28%	29%		30%	27%
Global Public	30%	29%	26%	26%	30%		25%	27%
Global Small and Medium Business	22%	23%	22%	24%	23%		24%	23%
Global Consumer	22%	22%	24%	22%	18%		21%	23%
<b>% of Total Revenue by Product:</b>								
Servers and Networking	11%	12%	12%	12%	12%	11%	11%	11%
Storage	4%	4%	4%	4%	4%	4%	4%	4%
Services	10%	10%	13%	13%	12%	9%	9%	11%
Software & Peripherals	19%	19%	17%	17%	17%	16%	17%	18%
Mobility	30%	32%	31%	30%	30%	28%	30%	31%
Desktop PCs	26%	23%	23%	24%	25%	32%	29%	25%
<b>EPS Y/Y (diluted)</b>	-23%	-54%	-6%	47%	17%	15%	-5%	-42%
<b>FY10 CAGR<sup>1,2,4</sup></b>			<b>1-YR</b>	<b>2-YR</b>	<b>5-YR</b>			
Revenue			-13%	-7%	1%			
Gross Margin			-15%	-11%	1%			
Operating Expenses			-9%	-7%	8%			
Operating Income			-32%	-21%	-12%			
Net Income			-42%	-30%	-14%			
EPS (Diluted)			-42%	-25%	-9%			

<sup>1</sup> Profitability and growth metrics include the impact of \$85 million (\$0.03 per share) income tax benefit related to a revised estimate of taxes on the repatriation of earnings under the American Jobs Creation Act of 2004.

<sup>2</sup> Fiscal Year 2006 includes charges aggregating \$421 million (\$338 million other product charges and \$83 million in selling, general and administrative expenses) related to the cost of servicing or replacing certain OptiPlex™ systems that include a vendor part that failed to perform to Dell's specifications, workforce realignment, product rationalizations, excess facilities, and a write-off of goodwill recognized in the third quarter. The related tax effects of these items was \$85 million.

<sup>3</sup> 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.

<sup>4</sup> Dell restated its financial statements relating to fiscal 2003, 2004, 2005 and 2006 (including the interim periods within those years) and the first quarter of fiscal 2007. Dell's restated financial information is in its Annual Report on Form 10-K for the fiscal year ended February 2, 2007 available via the Internet at [www.sec.gov](http://www.sec.gov) or [www.dell.com/investor](http://www.dell.com/investor).

<sup>a</sup> DSO includes the effect of product costs related to in-transit customer shipments that are classified in other current assets.

<sup>b</sup> Free cash flows: Cash flows from operations less capital expenditures less tax benefit from employee stock plans plus on balance-sheet funding

<sup>c</sup> 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.

<sup>d</sup> 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 (As Restated)		
	Q2-FY10	Q3-FY10	Q4-FY10	Q1-FY11	Q2-FY11	FY08 <sup>1</sup>	FY09	FY10
<b>Income Statement:</b>								
<b>Net revenue</b>	\$ 12,764	\$ 12,896	\$ 14,900	\$ 14,874	\$ 15,534	\$ 61,133	\$ 61,101	\$ 52,902
Sequential Growth	3%	1%	16%	0%	4%	6%	0%	-13%
Y/Y Growth	-22%	-15%	11%	21%	22%			
Cost of revenue	10,373	10,663	12,431	12,358	12,948	49,462	50,144	43,641
<b>Gross margin</b>	<b>2,391</b>	<b>2,233</b>	<b>2,469</b>	<b>2,516</b>	<b>2,586</b>	<b>11,671</b>	<b>10,957</b>	<b>9,261</b>
SG&A	1,571	1,501	1,780	1,830	1,679	7,538	7,102	6,465
R&D	149	155	179	167	162	693	665	624
<b>Total operating expenses</b>	<b>1,720</b>	<b>1,656</b>	<b>1,959</b>	<b>1,997</b>	<b>1,841</b>	<b>8,231</b>	<b>7,767</b>	<b>7,089</b>
<b>Operating income</b>	<b>671</b>	<b>577</b>	<b>510</b>	<b>519</b>	<b>745</b>	<b>3,440</b>	<b>3,190</b>	<b>2,172</b>
Investment and other income, net	(42)	(63)	(41)	(68)	(49)	387	134	(148)
Income before taxes	629	514	469	451	696	3,827	3,324	2,024
Income tax provision	157	177	135	110	151	880	846	591
<b>Net income</b>	<b>472</b>	<b>337</b>	<b>334</b>	<b>341</b>	<b>545</b>	<b>2,947</b>	<b>2,478</b>	<b>1,433</b>
Sequential Growth	63%	-29%	-1%	2%	60%	14%	-16%	-42%
Y/Y Growth	-23%	-54%	-5%	18%	16%			
<b>EPS:</b>								
Basic	\$ 0.24	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.28	\$ 1.33	\$ 1.25	\$ 0.73
Diluted	\$ 0.24	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.28	\$ 1.31	\$ 1.25	\$ 0.73
<b>Weighted Average Shares Outstanding:</b>								
Basic	1,955	1,956	1,957	1,961	1,952	2,223	1,980	1,954
Diluted	1,960	1,966	1,971	1,973	1,960	2,247	1,986	1,962
<b>Percentage of Net Revenue:</b>								
Gross margin	18.7%	17.3%	16.6%	16.9%	16.6%	19.1%	17.9%	17.5%
Selling, general and administrative	12.3%	11.6%	12.0%	12.3%	10.8%	12.4%	11.6%	12.2%
Research, development and engineering	1.2%	1.2%	1.2%	1.1%	1.0%	1.1%	1.1%	1.2%
Total operating expenses	13.5%	12.8%	13.2%	13.4%	11.8%	13.5%	12.7%	13.4%
Operating income	5.2%	4.5%	3.4%	3.5%	4.8%	5.6%	5.2%	4.1%
Income before income taxes	4.9%	4.0%	3.2%	3.0%	4.5%	6.3%	5.4%	3.8%
Net income	3.7%	2.6%	2.2%	2.3%	3.5%	4.8%	4.1%	2.7%
Income tax rate	25.0%	34.5%	28.7%	24.4%	21.7%	23.0%	25.4%	29.2%
<b>Revenues by Business Unit:</b>	<b>12,764</b>	<b>12,896</b>	<b>14,900</b>	<b>14,874</b>	<b>15,534</b>	<b>61,133</b>	<b>61,101</b>	<b>52,902</b>
Global Large Enterprise	3,285	3,403	4,197	4,246	4,549		18,011	14,285
Global Public	3,798	3,695	3,820	3,856	4,580		15,338	14,484
Global Small and Medium Business	2,820	2,956	3,336	3,524	3,535		14,892	12,079
Global Consumer	2,861	2,842	3,547	3,248	2,870		12,860	12,054
<b>Operating income by Business Unit:</b>	<b>890</b>	<b>818</b>	<b>905</b>	<b>911</b>	<b>959</b>		<b>3,995</b>	<b>3,327</b>
Global Large Enterprise	172	174	281	283	288		1,158	819
Global Public	383	352	333	298	369		1,258	1,361
Global Small and Medium Business	246	282	282	313	323		1,273	1,040
Global Consumer	89	10	9	17	(21)		306	107
<b>Revenues by product:</b>	<b>12,764</b>	<b>12,896</b>	<b>14,900</b>	<b>14,874</b>	<b>15,534</b>	<b>61,133</b>	<b>61,101</b>	<b>52,902</b>
Servers and Networking	1,403	1,539	1,804	1,785	1,890		6,512	6,032
Storage	551	508	599	554	624		2,666	2,192
Services	1,218	1,244	1,922	1,891	1,915		5,352	5,622
Software & Peripherals	2,382	2,394	2,477	2,496	2,535		10,603	9,499
Mobility	3,891	4,191	4,653	4,563	4,700		18,604	16,610
Desktop PCs	3,319	3,020	3,445	3,585	3,870		17,364	12,947

<sup>1</sup> 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	
	Q2-FY10	Q3-FY10	Q4-FY10	Q1-FY11	Q2-FY11	FY09	FY10
<b>GAAP gross margin</b>	\$ 2,391	\$ 2,233	\$ 2,469	\$ 2,516	\$ 2,586	\$ 10,957	\$ 9,261
Non-GAAP adjustments:							
Amortization of intangibles	27	27	71	68	70	59	151
Severance and facility actions	14	102	55	29	14	146	236
Acquisition-related	-	-	1	1	1	-	1
Other <sup>(1)</sup>	-	-	-	-	-	-	-
Stock option accelerated vesting charges	-	-	-	-	-	16	-
<b>Non-GAAP gross margin</b>	<b>2,432</b>	<b>2,362</b>	<b>2,596</b>	<b>2,614</b>	<b>2,671</b>	<b>11,178</b>	<b>9,649</b>
<b>GAAP operating expenses</b>	<b>1,720</b>	<b>1,656</b>	<b>1,959</b>	<b>1,997</b>	<b>1,841</b>	<b>7,767</b>	<b>7,089</b>
Non-GAAP adjustments:							
Amortization of intangibles	(13)	(13)	(15)	(20)	(17)	(46)	(54)
Severance and facility actions	(73)	(21)	(31)	(28)	(10)	(136)	(245)
Acquisition-related	-	-	(115)	(19)	(15)	-	(115)
Other <sup>(1)</sup>	-	-	-	(140)	-	-	-
Stock option accelerated vesting charges	-	-	-	-	-	(88)	-
<b>Non-GAAP operating expenses</b>	<b>1,634</b>	<b>1,622</b>	<b>1,798</b>	<b>1,790</b>	<b>1,799</b>	<b>7,497</b>	<b>6,675</b>
<b>GAAP operating income</b>	<b>671</b>	<b>577</b>	<b>510</b>	<b>519</b>	<b>745</b>	<b>3,190</b>	<b>2,172</b>
Non-GAAP adjustments:							
Amortization of intangibles	40	40	86	88	87	105	205
Severance and facility actions	87	123	86	57	24	282	481
Acquisition-related	-	-	116	20	16	-	116
Other <sup>(1)</sup>	-	-	-	140	-	-	-
Stock option accelerated vesting charges	-	-	-	-	-	104	-
<b>Non-GAAP operating income</b>	<b>798</b>	<b>740</b>	<b>798</b>	<b>824</b>	<b>872</b>	<b>3,681</b>	<b>2,974</b>
<b>GAAP net income</b>	<b>472</b>	<b>337</b>	<b>334</b>	<b>341</b>	<b>545</b>	<b>2,478</b>	<b>1,433</b>
GAAP earnings per common share - diluted	\$ 0.24	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.28	\$ 1.25	\$ 0.73
Non-GAAP adjustments:							
Amortization of intangibles	40	40	86	88	87	105	205
Severance and facility actions	87	123	86	57	24	282	481
Acquisition-related	-	-	116	20	16	-	116
Other <sup>(1)</sup>	-	-	-	140	-	-	-
Stock option accelerated vesting charges	-	-	-	-	-	104	-
Aggregate adjustment for income taxes	(24)	(51)	(78)	(62)	(43)	(117)	(181)
Non-GAAP adjustments per common share - diluted	\$ 0.05	\$ 0.06	\$ 0.11	\$ 0.13	\$ 0.04	\$ 0.19	\$ 0.32
<b>Non-GAAP net income</b>	<b>575</b>	<b>449</b>	<b>544</b>	<b>584</b>	<b>629</b>	<b>2,852</b>	<b>2,054</b>
Non-GAAP earnings per common share - diluted	\$ 0.29	\$ 0.23	\$ 0.28	\$ 0.30	\$ 0.32	\$ 1.44	\$ 1.05
GAAP Diluted WAS	1,960	1,966	1,971	1,973	1,960	1,986	1,962

## Percentage of Total Net Revenue:

GAAP gross margin	18.7%	17.3%	16.6%	16.9%	16.6%	17.9%	17.5%
Non-GAAP adjustment	0.4%	1.0%	0.8%	0.7%	0.6%	0.4%	0.7%
Non-GAAP gross margin	19.1%	18.3%	17.4%	17.6%	17.2%	18.3%	18.2%
GAAP operating expenses	13.5%	12.8%	13.2%	13.4%	11.8%	12.7%	13.4%
Non-GAAP adjustment	-0.7%	-0.2%	-1.1%	-1.4%	-0.2%	-0.4%	-0.8%
Non-GAAP operating expenses	12.8%	12.6%	12.1%	12.0%	11.6%	12.3%	12.6%
GAAP operating income	5.2%	4.5%	3.4%	3.5%	4.8%	5.2%	4.1%
Non-GAAP adjustment	1.1%	1.2%	2.0%	2.0%	0.8%	0.8%	1.5%
Non-GAAP operating income	6.3%	5.7%	5.4%	5.5%	5.6%	6.0%	5.6%

Note: Percentage growth rates and ratios are calculated based on underlying data in thousands.

<sup>(1)</sup> Includes amounts for the \$100 million settlement of the SEC investigation and a \$40 million settlement for a securities litigation matter.

# DELL INC.

Historical PC Share\*

IDC Worldwide Quarterly PC Tracker

	Current Rank	2010 Dell Share					Annual Share								
		Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>WW Client PCs</b>	<b>2</b>	<b>13%</b>	<b>13%</b>	<b>12%</b>	<b>13%</b>	<b>13%</b>	<b>13%</b>	<b>15%</b>	<b>16%</b>	<b>17%</b>	<b>18%</b>	<b>16%</b>	<b>14%</b>	<b>14%</b>	<b>13%</b>
USA	2	24%	25%	22%	23%	24%	24%	29%	32%	35%	36%	33%	29%	29%	24%
EMEA	3	10%	9%	9%	10%	10%	9%	9%	10%	11%	12%	12%	11%	11%	9%
Asia Pacific	3	8%	8%	8%	9%	10%	4%	5%	6%	6%	7%	7%	7%	9%	8%
Japan	3	14%	12%	10%	9%	11%	6%	7%	9%	11%	12%	14%	14%	14%	12%
Desktop PC	2	13%	13%	12%	13%	14%	12%	15%	17%	18%	17%	16%	15%	15%	13%
Portable PC	3	13%	12%	12%	12%	12%	14%	15%	16%	17%	18%	17%	14%	14%	12%
Consumer	1	9%	9%	9%	9%	8%	6%	10%	12%	13%	12%	11%	8%	9%	9%
SMB <sup>1</sup>	1	12%	12%	12%	13%	13%	12%	12%	13%	14%	15%	14%	14%	14%	12%
Public	2	20%	19%	15%	17%	21%	20%	19%	15%	17%	21%	17%	19%	20%	21%
Large Enterprise <sup>2</sup>	1	30%	30%	30%	31%	32%	30%	30%	30%	31%	32%	25%	29%	31%	32%

\*PC's include Desktops, Notebooks, x86 Servers, data as of August 2010

<sup>1</sup>SMB includes companies with less than 500 employees

<sup>2</sup>Large Enterprise includes companies more than 500 employees