

DELL INC.

Condensed Consolidated Statement of Financial Position

(in millions)

(unaudited)

Assets:

Cash & cash equivalents	\$ 11,694	\$ 12,889	\$ 13,913	\$ 14,061	\$ 14,623
Short-term investments	744	492	452	418	509
Accounts receivable, net	6,565	6,407	6,493	6,196	6,752
Financing receivables, net	3,272	3,588	3,643	3,205	3,385
Inventories, net	1,372	1,294	1,301	1,276	1,346
Other	3,562	3,118	3,219	3,217	3,043
Total current assets	27,209	27,788	29,021	28,373	29,658
PP&E, net	1,980	1,948	1,953	1,987	2,064
Investments	633	662	704	762	1,048
Long-term financing receivable, net	622	709	799	1,123	1,252
Other non-current assets	6,196	6,047	6,122	7,543	7,582

Total assets:

36,640	37,154	38,599	39,788	41,604
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Liabilities & Stockholders Equity:

Short-term borrowings	1,627	826	851	816	1,316
Accounts payable	12,465	11,278	11,293	10,442	11,628
Accrued and other	3,812	3,898	4,181	3,590	3,823
Short-term deferred services revenue	3,009	3,093	3,158	3,282	3,427
Total current liabilities	20,913	19,095	19,483	18,130	20,194
Long-term debt	3,623	5,168	5,146	6,794	6,424
Other non-current liabilities	2,632	2,631	2,686	2,886	3,723
Long-term deferred services revenue	3,311	3,447	3,518	3,608	2,927

Total liabilities:

30,479	30,341	30,833	31,418	33,268
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Redeemable common stock and capital in excess of par

Stockholder's equity:

Total liabilities & equity:

-	-	-	-	-
6,161	6,813	7,766	8,370	8,336
36,640	37,154	38,599	39,788	41,604

Prior Annual Results

FY09	FY10	FY11
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\$ 8,352	\$ 10,635	\$ 13,913
740	373	452
4,731	5,837	6,493
1,712	2,706	3,643
867	1,051	1,301
3,749	3,643	3,219
20,151	24,245	29,021
2,277	2,181	1,953
454	781	704
500	332	799
3,118	6,113	6,122
26,500	33,652	38,599

113	663	851
8,309	11,373	11,293
3,736	3,884	4,181
2,701	3,040	3,158
14,859	18,960	19,483
1,898	3,417	5,146
2,472	2,605	2,686
3,000	3,029	3,518
22,229	28,011	30,833

-	-	-
4,271	5,641	7,766
26,500	33,652	38,599

DELL INC.
Condensed Consolidated Statement of Cash Flows

(in millions)
(unaudited)

Cash flows from operating activities:

Net income:					
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	264	234	225	216	230
Stock-based compensation	80	69	107	99	82
Effects of exchange rate changes on monetary assets and liabilities denominated in foreign currencies	7	(14)	(27)	-	(9)
Deferred income taxes	(24)	20	(10)	(63)	7
Provision for doubtful accounts - including financing receivables	95	82	83	47	70
Other	4	-	22	(5)	5
Changes in assets and liabilities, net of effects from acquisitions:					
Accounts receivable	(777)	308	(119)	471	(566)
Financing receivables	(205)	(46)	(250)	21	(100)
Inventories	(186)	77	(7)	38	(69)
Other assets	(33)	707	(227)	110	97
Accounts payable	1,109	(1,306)	24	(925)	1,186
Deferred services revenue	193	137	149	191	212
Accrued and other liabilities	263	(177)	586	(680)	339

Change in cash from operating activities:

	1,335	913	1,483	465	2,374
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Cash flows from investing activities:

Investments:					
Purchases	(713)	(123)	(174)	(240)	(541)
Maturities and sales	669	346	174	222	210
Capital expenditures	(145)	(93)	(160)	(137)	(159)
Proceeds from sale of facility and land	18	-	-	12	-
Purchase of financing receivables	-	(430)	-	-	-
Collections on purchased financing receivables	-	20	49	67	68
Acquisition of business, net of cash received	(89)	(24)	(130)	(1,473)	(428)

Change in cash from investing activities:

	(260)	(304)	(241)	(1,549)	(850)
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Cash flows from financing activities:

Repurchase of common stock	(200)	(200)	(200)	(450)	(1,130)
Issuance of common stock under employee plans	2	2	1	10	19
Issuance (repayment) of commercial paper (maturity of 90 days or less), net	490	(900)	-	-	-
Proceeds from debt	341	1,945	515	1,930	503
Repayments of debt	(253)	(296)	(515)	(323)	(370)
Other	(1)	-	-	3	(1)

Change in cash from financing activities:

	379	551	(199)	1,170	(979)
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Effect of exchange rate changes on cash and cash equivalents

	(15)	35	(19)	62	17
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Change in cash and cash equivalents:

	1,439	1,195	1,024	148	562
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Cash and cash equivalents at beginning of period:

	10,255	11,694	12,889	13,913	14,061
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Cash and cash equivalents at end of period:

	11,694	12,889	13,913	14,061	14,623
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Prior Annual Results

	FY09	FY10¹	FY11
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\$	2,478	\$	1,433	\$	2,635
	769		852		970
	418		312		332
	(115)		59		(4)
	86		(52)		(45)
	310		429		382
	34		102		26
	480		(660)		(707)
	(302)		(1,085)		(709)
	309		(183)		(248)
	(106)		(225)		516
	(3,117)		2,833		(151)
	663		135		551
	(13)		(44)		421
	1,894		3,906		3,969

	(1,584)		(1,383)		(1,360)
	2,333		1,538		1,358
	(440)		(367)		(444)
	44		16		18
	-		-		(430)
	-		-		69
	(176)		(3,613)		(376)
	177		(3,809)		(1,165)

	(2,867)		-		(800)
	79		2		12
	100		76		(176)
	1,519		2,058		3,069
	(237)		(122)		(1,630)
	-		(2)		2
	(1,406)		2,012		477

	(77)		174		(3)
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	588		2,283		3,278
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	7,764		8,352		10,635
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	8,352		10,635		13,913
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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)

Liquidity:

Current ratio

Quick ratio

Cash conversion cycle^d

Days supply in inventory

Days of sales outstanding^a

Days in accounts payable

Cash flow (millions):

Cash flow from operations

Net free cash flows^b

Cash and investments

Shares repurchased (millions)

Profitability:

Return on total capital^c

Gross margin

Opex as percentage of revenue

Operating margin

Income tax rate

Net profit margin

WAS -- Diluted

EPS (diluted)

Growth:

Units Y/Y

Revenue Y/Y:

Global Large Enterprise

Global Public

Global Small and Medium Business

Global Consumer

% of Total Revenue by Business Unit:

Global Large Enterprise

Global Public

Global Small and Medium Business

Global Consumer

% of Total Revenue by Product:

Servers and Networking

Storage

Services

Software & Peripherals

Mobility

Desktop PCs

EPS Y/Y (diluted)

	Prior Quarter Results					FY09		
	Q2-FY11	Q3-FY11	Q4-FY11	Q1-FY12	Q2-FY12	FY09	FY10	FY11
Current ratio	1.30	1.46	1.49	1.57	1.47	1.36	1.28	1.49
Quick ratio	1.24	1.39	1.42	1.49	1.40	1.30	1.22	1.42
Cash conversion cycle^d	(36)	(32)	(33)	(31)	(34)	(25)	(36)	(33)
Days supply in inventory	10	9	9	10	10	7	8	9
Days of sales outstanding ^a	41	41	40	40	42	35	38	40
Days in accounts payable	87	82	82	81	86	67	82	82
Cash flow (millions):								
Cash flow from operations	\$ 1,335	\$ 913	\$ 1,483	\$ 465	\$ 2,374	\$1,894	\$3,906	\$3,969
Net free cash flows ^b	\$ 1,395	\$ 866	\$ 1,573	\$ 307	\$ 2,315	\$1,756	\$4,624	\$4,234
Cash and investments	\$13,071	\$14,043	\$15,069	\$15,241	\$16,180	\$9,546	\$11,789	\$15,069
Shares repurchased (millions)	14	16	15	31	71	133	-	57
Return on total capital^c	19%	27%	25%	24%	22%	33%	17%	21%
Gross margin	16.6%	19.5%	21.0%	22.9%	22.5%	17.9%	17.5%	18.5%
Opex as percentage of revenue	11.8%	12.8%	13.7%	14.8%	15.2%	12.7%	13.4%	12.9%
Operating margin	4.8%	6.7%	7.3%	8.1%	7.3%	5.2%	4.1%	5.6%
Income tax rate	21.7%	23.6%	17.8%	19.2%	18.4%	25.4%	29.2%	21.3%
Net profit margin	3.5%	5.3%	5.9%	6.3%	5.7%	4.1%	2.7%	4.3%
WAS -- Diluted	1,960	1,949	1,938	1,923	1,871	1,986	1,962	1,955
EPS (diluted)	\$ 0.28	\$ 0.42	\$ 0.48	\$ 0.49	\$ 0.48	\$1.25	\$0.73	\$1.35
Units Y/Y	16%	11%	3%	0%	0%	7%	-6%	12%
Revenue Y/Y:	22%	19%	5%	1%	1%	0%	-13%	16%
Global Large Enterprise	38%	27%	12%	5%	1%			
Global Public	21%	20%	4%	-2%	-3%			
Global Small and Medium Business	25%	24%	12%	7%	5%			
Global Consumer	0%	4%	-8%	-7%	1%			
% of Total Revenue by Business Unit:								
Global Large Enterprise	29%	28%	30%	30%	29%	30%	27%	29%
Global Public	30%	29%	25%	25%	28%	25%	27%	27%
Global Small and Medium Business	23%	24%	24%	25%	24%	24%	23%	24%
Global Consumer	18%	19%	21%	20%	19%	21%	23%	20%
% of Total Revenue by Product:								
Servers and Networking	12%	12%	13%	13%	13%	11%	11%	12%
Storage	4%	3%	4%	3%	3%	4%	4%	4%
Services	12%	12%	12%	13%	13%	9%	11%	12%
Software & Peripherals	17%	17%	17%	17%	16%	17%	18%	17%
Mobility	30%	32%	31%	32%	31%	30%	31%	31%
Desktop PCs	25%	24%	23%	22%	24%	29%	25%	24%
EPS Y/Y (diluted)	17%	147%	182%	188%	71%	-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.

*Reconciliation of Non-GAAP Financial Measures
(in millions, except per share data and percentages)
(unaudited)*

	Prior Quarter Results					Prior Annual Results		
	Q2-FY11	Q3-FY11	Q4-FY11	Q1-FY12	Q2-FY12	FY09	FY10	FY11
GAAP gross margin	\$ 2,586	\$ 3,003	\$ 3,291	\$ 3,432	\$ 3,525	\$ 10,957	\$ 9,261	\$ 11,396
Non-GAAP adjustments:								
Amortization of intangibles	70	71	69	71	74	59	151	278
Severance and facility actions	14	4	6	5	-	146	236	53
Acquisition-related	1	-	2	3	26	-	1	4
Other ⁽¹⁾	-	-	-	-	-	-	-	-
Stock option accelerated vesting charges	-	-	-	-	-	16	-	-
Non-GAAP gross margin	2,671	3,078	3,368	3,511	3,625	11,178	9,649	11,731
GAAP operating expenses	1,841	1,979	2,146	2,220	2,379	7,767	7,089	7,963
Non-GAAP adjustments:								
Amortization of intangibles	(17)	(18)	(16)	(21)	(21)	(46)	(54)	(71)
Severance and facility actions	(10)	(27)	(11)	(14)	-	(136)	(245)	(76)
Acquisition-related	(15)	(23)	(37)	(50)	(61)	-	(115)	(94)
Other ⁽¹⁾	-	-	-	-	-	-	-	(140)
Stock option accelerated vesting charges	-	-	-	-	-	(88)	-	-
Non-GAAP operating expenses	1,799	1,911	2,082	2,135	2,297	7,497	6,675	7,582
GAAP operating income	745	1,024	1,145	1,212	1,146	3,190	2,172	3,433
Non-GAAP adjustments:								
Amortization of intangibles	87	89	85	92	95	105	205	349
Severance and facility actions	24	31	17	19	-	282	481	129
Acquisition-related	16	23	39	53	87	-	116	98
Other ⁽¹⁾	-	-	-	-	-	-	-	140
Stock option accelerated vesting charges	-	-	-	-	-	104	-	-
Non-GAAP operating income	872	1,167	1,286	1,376	1,328	3,681	2,974	4,149
GAAP net income	545	822	927	945	890	2,478	1,433	2,635
GAAP earnings per common share - diluted	\$ 0.28	\$ 0.42	\$ 0.48	\$ 0.49	\$ 0.48	\$ 1.25	\$ 0.73	\$ 1.35
Non-GAAP adjustments:								
Amortization of intangibles	87	89	85	92	95	105	205	349
Severance and facility actions	24	31	17	19	-	282	481	129
Acquisition-related	16	23	39	53	87	-	116	98
Other ⁽¹⁾	-	(72)	-	-	-	-	-	68
Stock option accelerated vesting charges	-	-	-	-	-	104	-	-
Aggregate adjustment for income taxes	(43)	(18)	(50)	(59)	(66)	(117)	(181)	(173)
Non-GAAP adjustments per common share - diluted	\$ 0.04	\$ 0.03	\$ 0.05	\$ 0.06	\$ 0.06	\$ 0.19	\$ 0.32	\$ 0.24
Non-GAAP net income	629	875	1,018	1,050	1,006	2,852	2,054	3,106
Non-GAAP earnings per common share - diluted	\$ 0.32	\$ 0.45	\$ 0.53	\$ 0.55	\$ 0.54	\$ 1.44	\$ 1.05	\$ 1.59
GAAP Diluted WAS	1,960	1,949	1,938	1,923	1,871	1,986	1,962	1,955

Percentage of Total Net Revenue:

GAAP gross margin	16.6%	19.5%	21.0%	22.9%	22.5%	17.9%	17.5%	18.5%
Non-GAAP adjustment	0.6%	0.5%	0.5%	0.5%	7.0%	0.4%	0.7%	0.6%
Non-GAAP gross margin	17.2%	20.0%	21.5%	23.4%	23.2%	18.3%	18.2%	19.1%
GAAP operating expenses	11.8%	12.8%	13.7%	14.8%	15.2%	12.7%	13.4%	12.9%
Non-GAAP adjustment	-0.2%	-0.4%	-0.4%	-0.6%	-0.5%	-0.4%	-0.8%	-0.6%
Non-GAAP operating expenses	11.6%	12.4%	13.3%	14.2%	14.7%	12.3%	12.6%	12.3%
GAAP operating income	4.8%	6.7%	7.3%	8.1%	7.3%	5.2%	4.1%	5.6%
Non-GAAP adjustment	0.8%	0.9%	0.9%	1.1%	1.2%	0.8%	1.5%	1.1%
Non-GAAP operating income	5.6%	7.6%	8.2%	9.2%	8.5%	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.

Condensed Consolidated Statement of Operations
(in millions)
(unaudited)

	Prior Quarter Results					Prior Annual Results		
	Q2-FY11	Q3-FY11	Q4-FY11	Q1-FY12	Q2-FY12	FY09	FY10	FY11
Income Statement:								
Net revenue	\$ 15,534	\$ 15,394	\$ 15,692	\$ 15,017	\$ 15,658	\$ 61,101	\$ 52,902	\$ 61,494
Sequential Growth	4%	-1%	2%	-4%	4%			
Y/Y Growth	22%	19%	5%	1%	1%	0%	-13%	16%
Cost of revenue	12,948	12,391	12,401	11,585	12,133	50,144	43,641	50,098
Gross margin	2,586	3,003	3,291	3,432	3,525	10,957	9,261	11,396
SG&A	1,679	1,816	1,977	2,025	2,174	7,102	6,465	7,302
R&D	162	163	169	195	205	665	624	661
Total operating expenses	1,841	1,979	2,146	2,220	2,379	7,767	7,089	7,963
Operating income	745	1,024	1,145	1,212	1,146	3,190	2,172	3,433
Investment and other income, net	(49)	52	(18)	(42)	(55)	134	(148)	(83)
Income before taxes	696	1,076	1,127	1,170	1,091	3,324	2,024	3,350
Income tax provision	151	254	200	225	201	846	591	715
Net income	545	822	927	945	890	2,478	1,433	2,635
Sequential Growth	60%	51%	13%	2%	-6%			
Y/Y Growth	16%	144%	177%	177%	63%	-16%	-42%	84%
EPS:								
Basic	\$ 0.28	\$ 0.42	\$ 0.48	\$ 0.50	\$ 0.48	\$ 1.25	\$ 0.73	\$ 1.36
Diluted	\$ 0.28	\$ 0.42	\$ 0.48	\$ 0.49	\$ 0.48	\$ 1.25	\$ 0.73	\$ 1.35
Weighted Average Shares Outstanding:								
Basic	1,952	1,939	1,924	1,908	1,858	1,980	1,954	1,944
Diluted	1,960	1,949	1,938	1,923	1,871	1,986	1,962	1,955
Percentage of Net Revenue:								
Gross margin	16.6%	19.5%	21.0%	22.9%	22.5%	17.9%	17.5%	18.5%
Selling, general and administrative	10.8%	11.8%	12.6%	13.5%	13.9%	11.6%	12.2%	11.9%
Research, development and engineering	1.0%	1.0%	1.1%	1.3%	1.3%	1.1%	1.2%	1.0%
Total operating expenses	11.8%	12.8%	13.7%	14.8%	15.2%	12.7%	13.4%	12.9%
Operating income	4.8%	6.7%	7.3%	8.1%	7.3%	5.2%	4.1%	5.6%
Income before income taxes	4.5%	7.0%	7.2%	7.8%	7.0%	5.4%	3.8%	5.4%
Net income	3.5%	5.3%	5.9%	6.3%	5.7%	4.1%	2.7%	4.3%
Income tax rate	21.7%	23.6%	17.8%	19.2%	18.4%	25.4%	29.2%	21.3%
Revenues by Business Unit:	15,534	15,394	15,692	15,017	15,658	61,101	52,902	61,494
Global Large Enterprise	4,549	4,326	4,692	4,477	4,584	18,011	14,285	17,813
Global Public	4,580	4,442	3,973	3,767	4,457	15,338	14,484	16,851
Global Small and Medium Business	3,535	3,665	3,749	3,768	3,709	14,892	12,079	14,473
Global Consumer	2,870	2,961	3,278	3,005	2,908	12,860	12,054	12,357
Operating income by Business Unit:	959	1,242	1,387	1,473	1,409	3,995	3,327	4,499
Global Large Enterprise	288	400	502	504	448	1,158	819	1,473
Global Public	369	451	366	370	484	1,258	1,361	1,484
Global Small and Medium Business	323	391	450	463	404	1,273	1,040	1,477
Global Consumer	(21)	-	69	136	73	306	107	65
Revenues by product:	15,534	15,394	15,692	15,017	15,658	61,101	52,902	61,494
Servers and Networking	1,890	1,844	2,090	1,973	2,054	6,512	6,032	7,609
Storage	624	543	574	481	502	2,666	2,192	2,295
Services	1,915	1,924	1,943	1,984	2,036	5,352	5,622	7,673
Software & Peripherals	2,535	2,579	2,651	2,567	2,569	10,603	9,499	10,261
Mobility	4,700	4,858	4,850	4,716	4,761	18,604	16,610	18,971
Desktop PCs	3,870	3,646	3,584	3,296	3,736	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.

Historical PC Share*

IDC Worldwide Quarterly PC Tracker

	Current Rank	Current Year Share					Annual Share									
		Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
WW Client PCs	2	13%	13%	12%	13%	13%	13%	15%	16%	17%	18%	16%	14%	14%	13%	13%
USA	2	24%	24%	22%	23%	22%	24%	29%	32%	35%	36%	33%	29%	29%	24%	23%
EMEA	3	10%	9%	10%	10%	11%	9%	9%	10%	11%	12%	12%	11%	11%	9%	10%
Asia Pacific	3	10%	10%	9%	10%	11%	4%	5%	6%	6%	7%	7%	7%	9%	8%	10%
Japan	5	11%	10%	9%	10%	10%	6%	7%	9%	11%	12%	14%	14%	14%	12%	10%
Desktop PC	2	14%	14%	13%	13%	13%	12%	15%	17%	18%	17%	16%	15%	15%	13%	14%
Portable PC	3	12%	12%	11%	12%	13%	14%	15%	16%	17%	18%	17%	14%	14%	12%	12%
x86**	2	30%	27%	26%	28%	26%	19%	22%	25%	25%	26%	26%	25%	27%	27%	28%
Consumer	3	8%	8%	9%	9%	9%	6%	10%	12%	13%	12%	11%	8%	9%	9%	9%
SMB ¹	2	13%	13%	12%	13%	13%	12%	12%	13%	14%	15%	14%	14%	14%	12%	13%
Public	3	21%	19%	15%	17%	18%	20%	19%	15%	17%	21%	17%	19%	20%	21%	18%
Large Enterprise ²	2	32%	29%	27%	27%	26%	30%	30%	30%	31%	32%	25%	29%	31%	32%	29%

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

**x86 is preliminary Q2 IDC data

¹SMB includes companies with less than 500 employees

²Large Enterprise includes companies more than 500 employees