
Dell 1Q FY12 Performance Review

Michael Dell

Chairman and CEO

Brian Gladden

SVP and CFO

Paul Bell

President, Public and Large Enterprise



May 17th, 2011

Forward-Looking Statements

Special Note on Forward Looking Statements:

Statements in this presentation that relate to future results and events (including statements about Dell's future financial and operating performance, planned capital expenditures, storage growth opportunities, anticipated customer demand, including seasonal trends and commercial momentum, enterprise solutions strategies, component costs, cost controls, supply chain improvements, and new products, as well as the financial guidance with respect to revenue and non-GAAP operating income) are forward-looking statements and are based on Dell's current expectations. In some cases, you can identify these statements by such forward-looking words as "anticipate," "believe," "could," "estimate," "expect," "intend," "confidence," "may," "plan," "potential," "should," "will" and "would," or similar expressions. 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: intense competition; Dell's cost-cutting measures; Dell's ability to effectively manage the growth of its distribution capabilities and add to its product and services offerings; Dell's ability to effectively manage periodic product and services transitions; weak global economic conditions and instability in financial markets; Dell's ability to generate substantial non-U.S. net revenue; weak economic conditions and additional regulation affecting Dell's financial services activities; Dell's ability to achieve favorable pricing from its vendors; Dell's ability to deliver consistent quality products and services; Dell's reliance on third-party suppliers for product components, including reliance on several single-sourced or limited-sourced suppliers; successful implementation of Dell's acquisition strategy; Dell's product, customer, and geographic sales mix, and seasonal sales trends; access to the capital markets by Dell or its customers; loss of government contracts; the risk of temporary suspension or debarment from contracting with U.S. federal, state and local governments as a result of settlements of an SEC investigation by Dell and Dell's Chairman and CEO; customer terminations of or pricing changes in services contracts, or Dell's failure to perform as it anticipates at the time it enters into services contracts; Dell's ability to obtain licenses to intellectual property developed by others on commercially reasonable and competitive terms; information technology and manufacturing infrastructure disruptions or breaches of data security; Dell's ability to hedge effectively its exposure to fluctuations in foreign currency exchange rates and interest rates; counterparty default; unfavorable results of legal proceedings; expiration of tax holidays or favorable tax rate structures, or unfavorable outcomes in tax audits and other compliance matters; Dell's ability to attract, retain, and motivate key personnel; Dell's ability to maintain strong internal controls; changing environmental and safety laws; the effect of armed hostilities, terrorism, natural disasters, and public health issues; and other risks and uncertainties discussed in Dell's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for its fiscal year ended Jan. 28, 2011. In particular, Dell's expectations with regard to revenue and non-GAAP operating income for the full fiscal year ending Feb. 3, 2012 assume, among other matters, that there is no significant decline in economic conditions generally or demand growth specifically, no significant change in product mix patterns, Dell's ability to realize its pipeline opportunities, no supply chain disruptions, and no significant adverse component pricing or supply movements. Dell assumes no obligation to update its forward-looking statements.

Non-GAAP Financial Measures

This presentation includes information about non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income, and non-GAAP earnings per share (collectively the "non-GAAP financial measures"), which are not measurements of financial performance prepared in accordance with U.S. generally accepted accounting principles. We have provided a reconciliation of the historical non-GAAP financial measures and of free cash flow, which is also a non-GAAP measure, to the most directly comparable GAAP measures in the slides captioned "Supplemental Non-GAAP Measures." A detailed discussion of our reasons for including the non-GAAP financial measures and the limitations associated with those measures is presented in "Management's Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations - Non-GAAP Financial Measures" in Dell's annual report on Form 10-K for the financial year ended January 28, 2011. We encourage investors to review the historical reconciliation and the non-GAAP discussion in conjunction with our presentation of the non-GAAP financial measures.

Dell 1Q FY12 Earnings Review

Brian Gladden
SVP and CFO



We are executing a growth strategy

Built on enterprise solutions that drive efficiency and flexibility for the virtual era

Efficient IT Solutions Open, Capable, Affordable



Enterprise

End-User

Long-Term Value Creation



Stakeholders

Next Generation Computing Solutions

Virtualization
Systems Management
Data Center Solutions
Networking

Intelligent Data Management

SAN Solutions
NAS Solutions

Services, Security & Cloud

Infrastructure
Applications
Multi-Vendor
Support
ITaaS, SaaS, PaaS

End-User Computing

Flexible Value Chain
Mobility Solutions
Desktop
Virtualization

Balanced Liquidity, Profitability & Growth

> 5-7% Revenue
Growth
7%+ GAAP OpInc
CFOps > Net Income



1Q FY12 Highlights

- **Enterprise Solutions and Services:** Continued growth with revenue up +5% Y/Y to \$4.4B
- **Next Generation Computing Solutions:** Launched vStart to deliver fully pre-configured and pre-tested provisioning of virtual machines
- **Intelligent Data Management:** Dell-owned IP, including Compellent, EqualLogic, PowerVault and DX Object Storage, grew revenue +11% Y/Y
- **End-User Computing:** Significantly improved profitability across our client desktop and mobility business
- **Balanced Liquidity, Profitability and Growth:** Consolidated revenue of \$15.0B up +1% Y/Y. Non-GAAP OpInc up +67% Y/Y, EPS up +83% Y/Y, CFOps of \$465M



1Q FY12 Non-GAAP Consolidated Results

Consolidated P&L¹

\$ in Millions – except Units and EPS

	1Q'11	4Q'11	1Q'12	Y/Y Growth	Seq Growth
Units (thousands)	10,933	11,507	10,918	0%	-5%
Revenues	14,874	15,692	15,017	1%	-4%
Gross Margin	2,614	3,368	3,511	34%	4%
<i>GM % of revenue</i>	17.6%	21.5%	23.4%	580 bps	190 bps
Operating Expenses	1,790	2,082	2,135	19%	3%
<i>Opex % of revenue</i>	12.0%	13.3%	14.2%	220 bps	90 bps
Operating Income	824	1,286	1,376	67%	7%
<i>Opinc % of revenue</i>	5.5%	8.2%	9.2%	370 bps	100 bps
Income Before Taxes	756	1,268	1,334	76%	5%
Income Tax	172	250	284	65%	14%
<i>Effective Tax Rate %</i>	22.8%	19.7%	21.3%	-150 bps	160 bps
Net Income	584	1,018	1,050	80%	3%
<i>NI % of revenue</i>	3.9%	6.5%	7.0%	310 bps	50 bps
Diluted EPS	\$0.30	\$0.53	\$0.55	83%	4%

¹Percentages and ratios are calculated based on underlying data

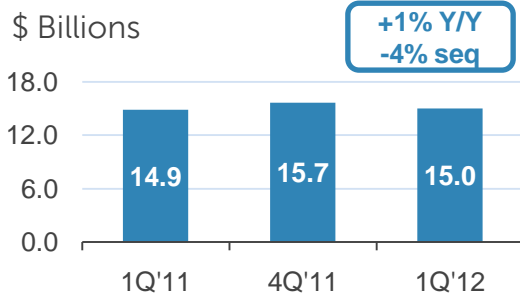
Growth refers to year-over-year

- Revenue up +1%, to \$15.0B
- Gross margin of 23.4%
- Opex of \$2.1B or 14.2% of revenue, driven by continued investment in solutions and enterprise
- Operating income up +67%, to \$1.4B or 9.2% of revenue
- Interest & other expenses were \$42M
- Tax rate was 21.3% driven by an increase in earnings attributable to lower-tax jurisdictions
- EPS 55 cents, up +83%

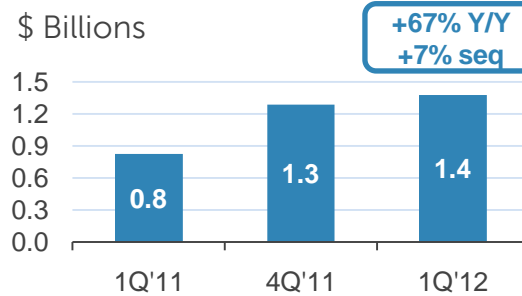


1Q FY12 Non-GAAP Key Performance Metrics

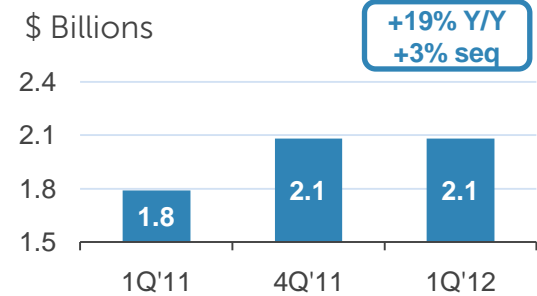
Revenue



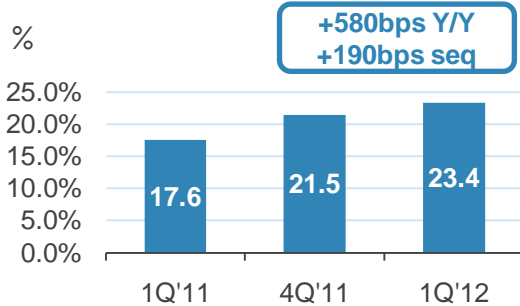
Operating Income



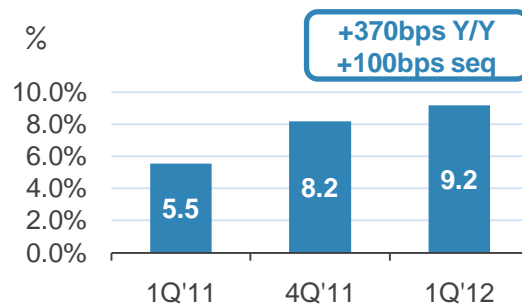
Operating Expense



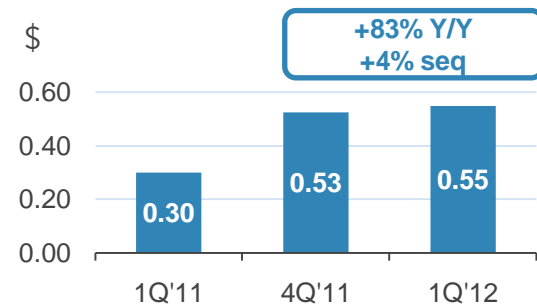
Gross Margin %



Operating Income %

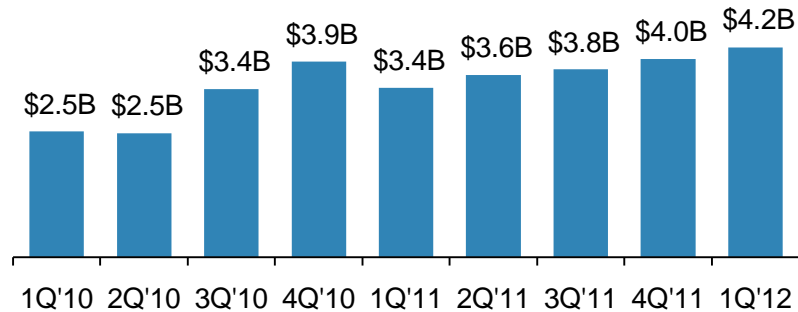


EPS

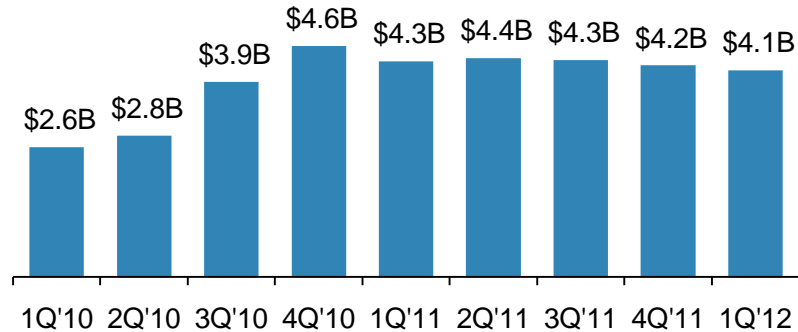


1Q FY12 Cash Flow Performance

Cash Flow from Operations ¹



Free Cash Flow ^{1,2}



- CFOps > NI continues to be a top priority
- CFOps of \$465M; \$4.2B trailing twelve months CFOps
- FCF of \$307M; \$4.1B trailing twelve months FCF
- Capex of \$137M
- Share repurchases of \$450M
- Ended 1Q FY12 with \$15.2B cash and investments

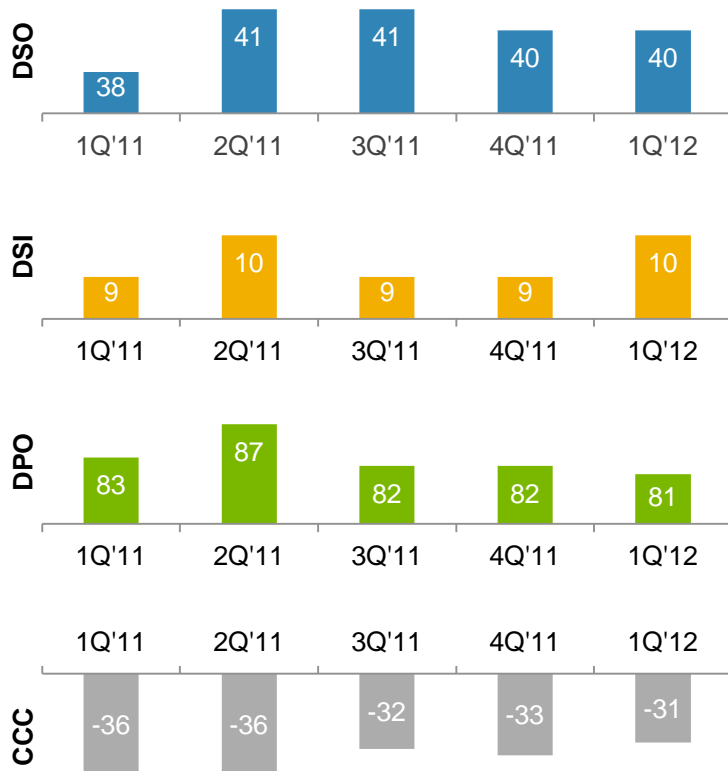
¹Trailing Twelve Months

²Cash flow from operations less capital expenditures plus on balance-sheet fundings



1Q FY12 Working Capital

Cash Conversion Cycle (CCC)



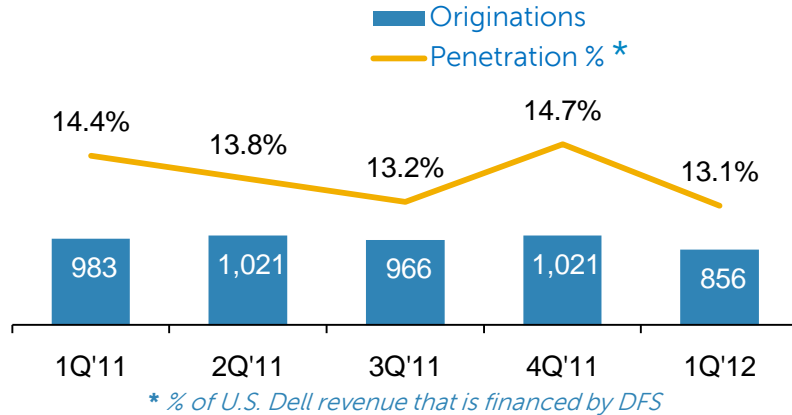
- Days payable adversely impacted by 1 day to 81 days, driven by slight shift in production and procurement linearity, and seasonal buying patterns
- Days sales was flat at 40 days
- Days inventory increased to 10 days due to strategic market commodity buys
- CCC changed by 2 days on a sequential basis; expect CCC to move back to mid -30 days range



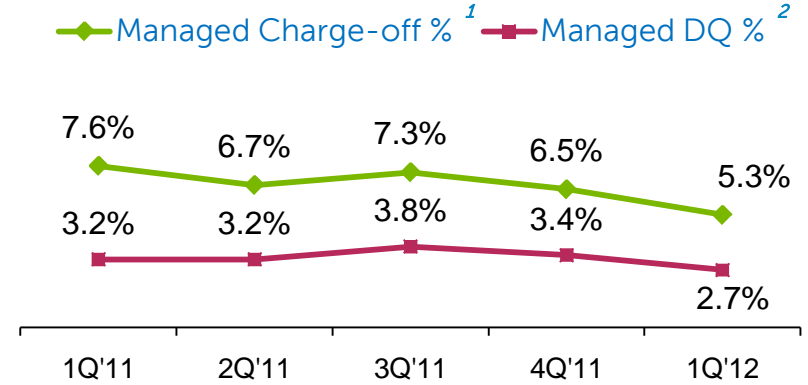
1Q FY12 Dell Financial Services

U.S. New Financing Originations

\$ Millions



Losses & Delinquencies



- 1Q Originations down -13% year over year primarily driven by lower Consumer revenue mix
- Managed basis losses and delinquency continue to trend favorably; all business segments showing improvement from the prior quarter and the prior year

Definitions

¹ Managed Charge-off % equals gross principal charge-offs less recovery payments from customers for the quarter divided by the average managed assets for the quarter

² Managed Delinquency % is calculated as 60 day plus delinquent assets at quarter end divided by quarter end managed assets



1Q FY12 Line of Business Results

Product Revenue Trends

LOB	1Q'11	2Q'11	3Q'11	4Q'11	1Q'12
Servers & Networking	1,785	1,890	1,844	2,090	1,973
Storage	554	624	543	574	481
<i>Dell-owned IP</i>	307	340	315	348	341
Services	1,891	1,915	1,924	1,943	1,984
S&P	2,496	2,535	2,579	2,651	2,567
Mobility	4,563	4,700	4,858	4,850	4,716
Desktop PCs	3,585	3,870	3,646	3,584	3,296
Total	14,874	15,534	15,394	15,692	15,017
Revenue Trends Q/Q					
Servers & Networking	-1%	6%	-2%	13%	-6%
Storage	-8%	13%	-13%	6%	-16%
<i>Dell-owned IP</i>	5%	11%	-7%	10%	-2%
Services	-2%	1%	0%	1%	2%
S&P	1%	2%	2%	3%	-3%
Mobility	-2%	3%	3%	0%	-3%
Desktop PCs	4%	8%	-6%	-2%	-8%
Total	0%	4%	-1%	2%	-4%
Revenue Trends Y/Y					
Servers & Networking	39%	35%	20%	16%	11%
Storage	4%	13%	7%	-4%	-13%
<i>Dell-owned IP</i>	43%	35%	33%	20%	11%
Services	53%	57%	55%	1%	5%
S&P	11%	6%	8%	7%	3%
Mobility	18%	21%	16%	4%	3%
Desktop PCs	13%	17%	21%	4%	-8%
Total	21%	22%	19%	5%	1%

Dynamics

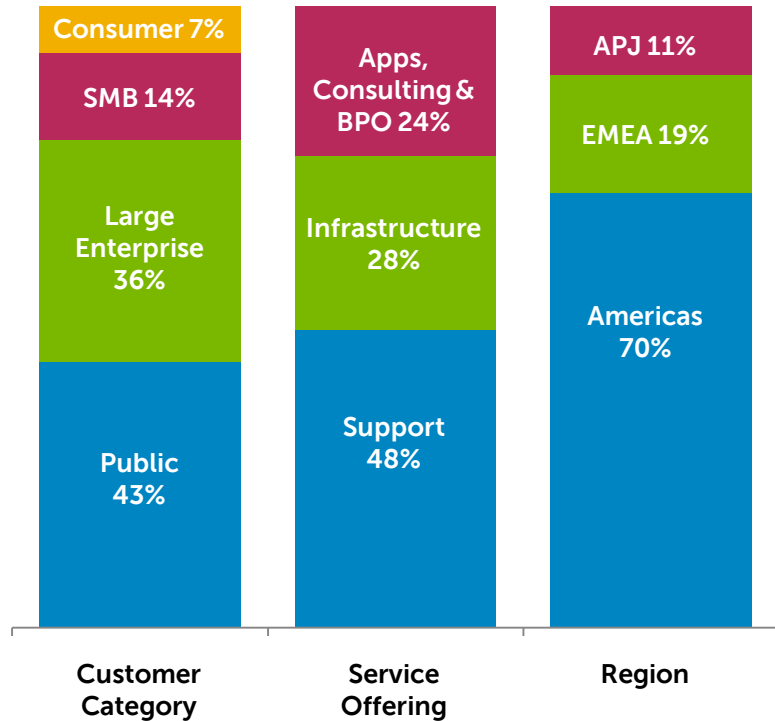
Growth refers to year-over-year

- Servers and networking revenue was up +11%; Blade server revenue grew +23%; Rack server revenue up +10%
- Storage revenue was down -13%; EMC revenue down -43%; Dell-owned IP, including Compellent, EqualLogic, PowerVault and DX Object Storage, grew revenue +11%
- Services revenue grew +5% to \$2.0B, Services backlog is now \$14.1B
- Software and peripherals revenue was up +3% to \$2.6B
- Client hardware revenues down -2% driven by weakness in Public and Consumer

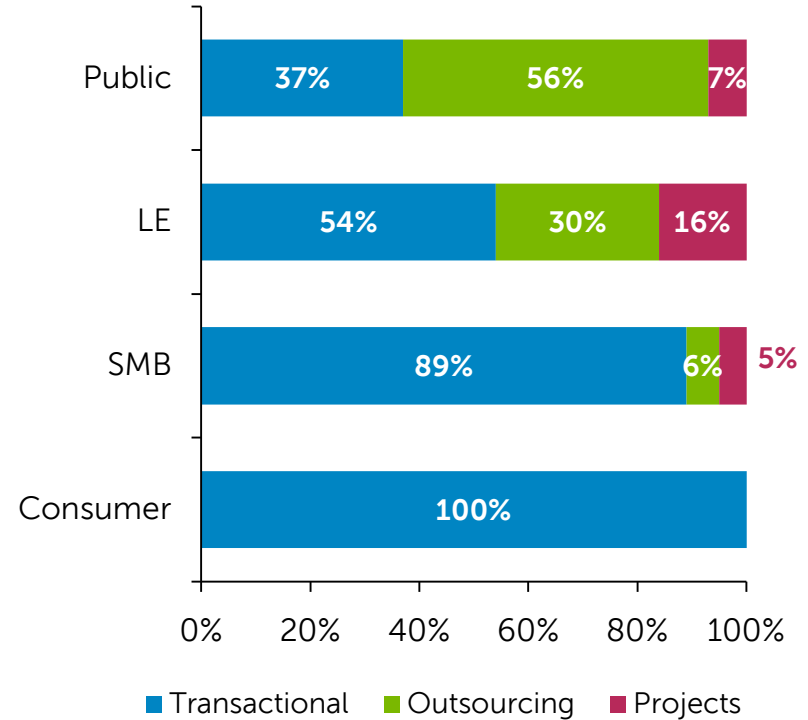


1Q FY12 Services

Dell Services Revenue Composition

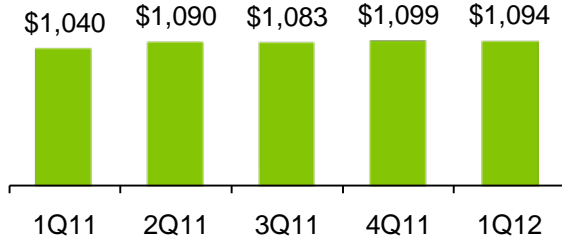


Engagement Model by SBU



1Q FY12 Services

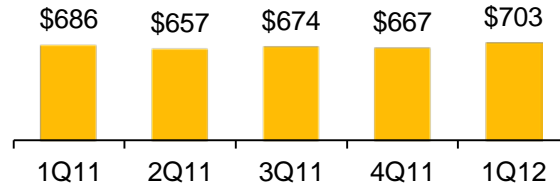
Transactional Revenue (\$ in Millions)



- Revenue of \$1.1B, up +5% Y/Y, mostly attributable to attach-based services sold to commercial customers
- Deferred services revenue primarily associated with our extended warranties was \$6.9B

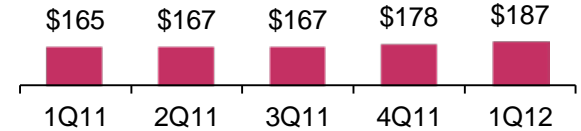
* Services categories were refined in Q1FY12,

Outsourcing Revenue (\$ in Millions)



- Revenue of \$703M, up +3% Y/Y
- Total contract value of new contracts signed over the past twelve months was \$1 billion
- Estimated contracted services backlog, which is primarily related to our outsourcing services business was \$7.2B

Projects Revenue (\$ in Millions)



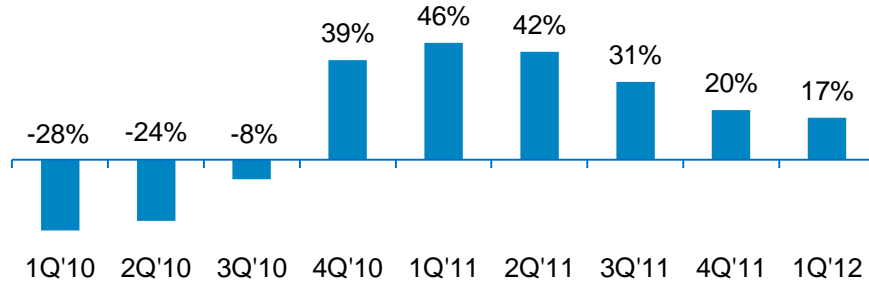
- Revenue of \$187M, up +13% Y/Y
- Infrastructure, applications, and business process projects all delivering double-digit growth Y/Y



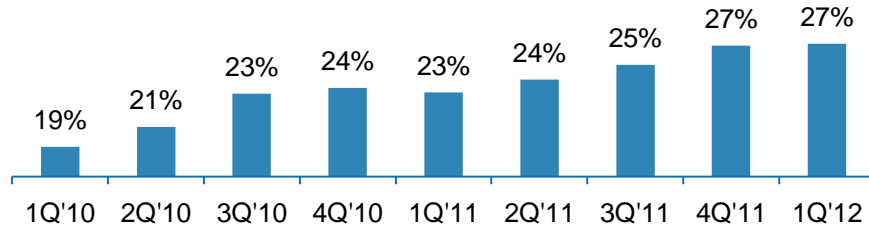
1Q FY12 Growth Markets & BRIC Countries

Growth Markets ¹

Revenue Growth Y/Y, %



% of Dell Total Revenue



¹ Growth Markets: Exclude US, Canada, Western Europe and Japan

Dynamics

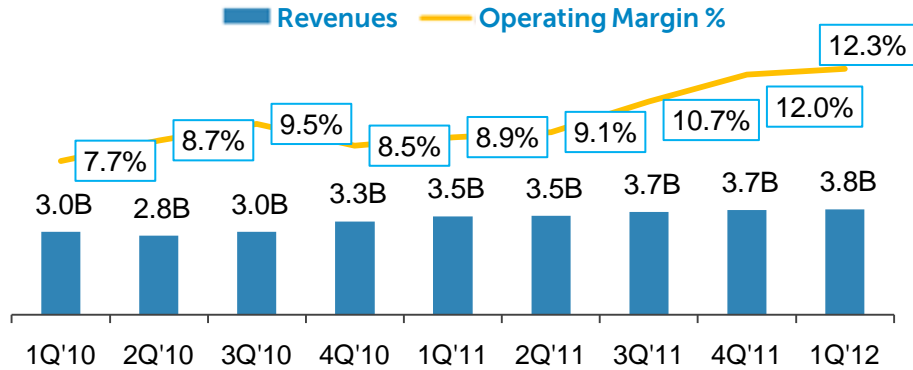
Growth refers to year-over-year

- Revenue from growth markets grew +17% and now account for 27% of Dell's consolidated revenue
- APJ and EMEA revenue grew +15% and +1%, respectively, while Americas was down -3%
- BRIC countries revenue grew +18%
- India revenue increased +28% while China revenue grew +22%
- Revenue outside of the U.S. was 51% of our total mix



1Q FY12 SMB

Revenue & Operating Income

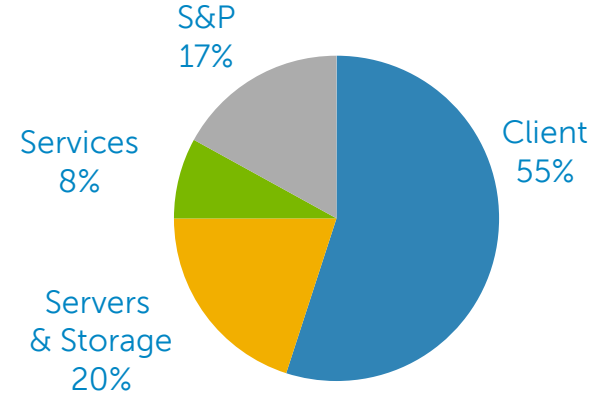


SMB P&L

\$ in Millions

	1Q'11	2Q'11	3Q'11	4Q'11	1Q'12
Revenues	3,524	3,535	3,665	3,749	3,768
<i>Sequential Growth, %</i>	6%	0%	4%	2%	0%
<i>Y/Y Growth, %</i>	19%	25%	24%	12%	7%
Operating Income	313	323	391	450	463
<i>Operating Margin, %</i>	8.9%	9.1%	10.7%	12.0%	12.3%
<i>Sequential Growth, bps</i>	40 bps	20 bps	160 bps	130 bps	30 bps
<i>Y/Y Growth, bps</i>	120 bps	40 bps	120 bps	350 bps	340 bps

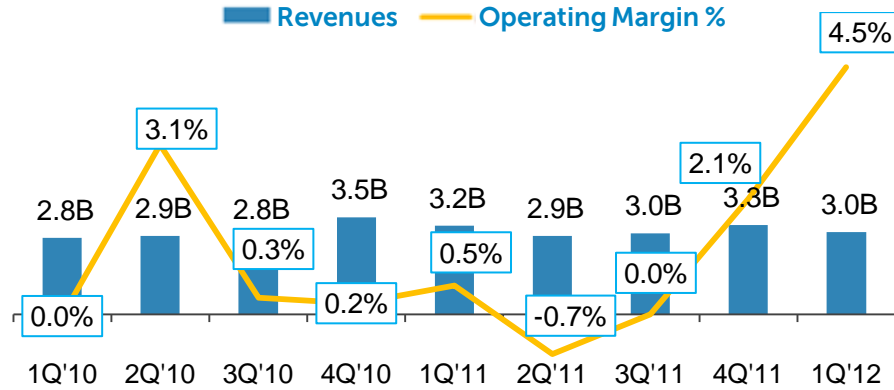
Revenue Mix



- Revenues of \$3.8B (up +7% Y/Y), highest level in two years
- Operating income was \$463M, or 12.3% of revenue
- Servers and storage revenue up +19% and +7% Y/Y, respectively
- Client was up +1% Y/Y



1Q FY12 Consumer Revenue & Operating Income

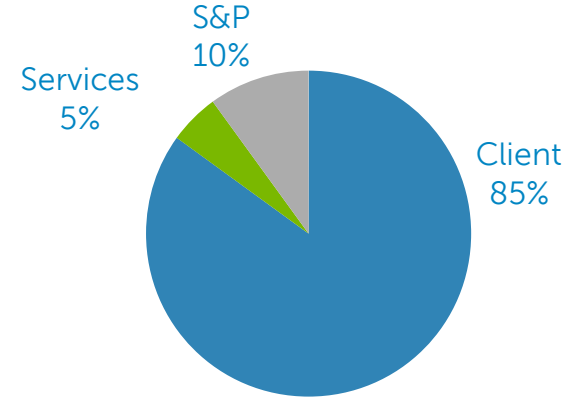


Consumer P&L

\$ in Millions

	1Q'11	2Q'11	3Q'11	4Q'11	1Q'12
Revenues	3,248	2,870	2,961	3,278	3,005
<i>Sequential Growth, %</i>	-8%	-12%	3%	11%	-8%
<i>YY Growth, %</i>	16%	0%	4%	-8%	-7%
Operating Income	17	(21)	0	69	136
<i>Operating Margin, %</i>	0.5%	-0.7%	0.0%	2.1%	4.5%
<i>Sequential Growth, bps</i>	30 bps	-120 bps	70 bps	210 bps	240 bps
<i>YY Growth, bps</i>	50 bps	-380 bps	-30 bps	190 bps	400 bps

Revenue Mix



- Revenues of \$3.0B (down -8% Q/Q and down -7% Y/Y)
- Oplnc was \$136M, or 4.5% of revenue
- Operating profit improved due to simplified brand strategy, differentiated products, better mix of profitable retail, and supply chain improvements



Dell 1Q FY12 Public & Large Enterprise

Paul Bell
President, Public & Large Enterprise



1Q FY12 Public and Large Enterprise

Providing efficient IT solutions



Financial Services



Web 2.0



Healthcare



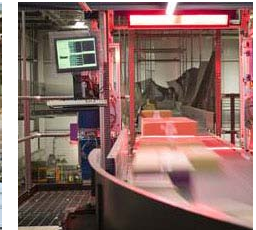
Government



Education



Retail



Manufacturing

Customers are looking to do more with less... and innovate at the same time

- Demand for efficient and flexible IT solutions
- Customers working to free up resources to drive innovation

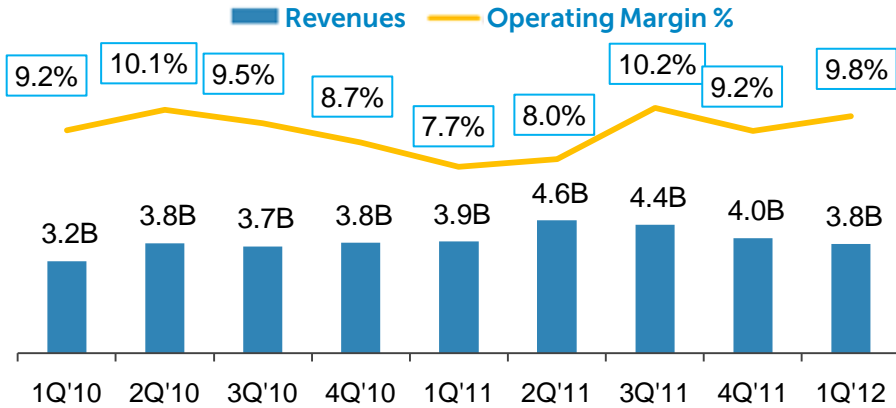
Dell providing open, capable and affordable solutions to create customer value

- New solutions resonate with customers
- Investing to enhance our sales and solutions delivery capabilities
- Expansion both organic and inorganic



1Q FY12 Public

Revenue & Operating Income

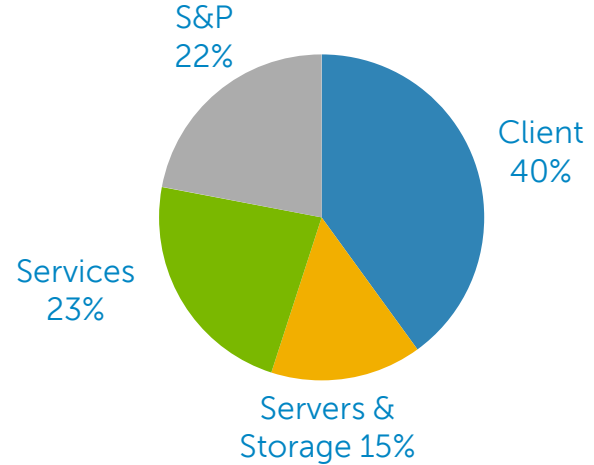


Public P&L

\$ in Millions

	1Q'11	2Q'11	3Q'11	4Q'11	1Q'12
Revenues	3,856	4,580	4,442	3,973	3,767
Sequential Growth, %	1%	19%	-3%	-11%	-5%
YY Growth, %	22%	21%	20%	4%	-2%
Operating Income	298	369	451	366	370
Operating Margin, %	7.7%	8.0%	10.2%	9.2%	9.8%
Sequential Growth, bps	-100 bps	30 bps	220 bps	-100 bps	60 bps
YY Growth, bps	-150 bps	-210 bps	70 bps	50 bps	210 bps

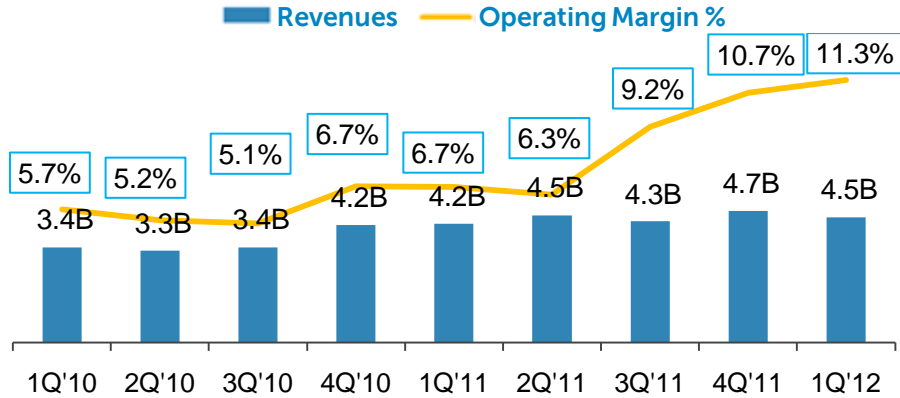
Revenue Mix



- Revenues of \$3.8B, down -2% Y/Y
- Operating income was \$370M, or 9.8% of revenue
- Enterprise solutions and services revenue up +3% and client down -10% Y/Y



1Q FY12 Large Enterprise Revenue & Operating Income

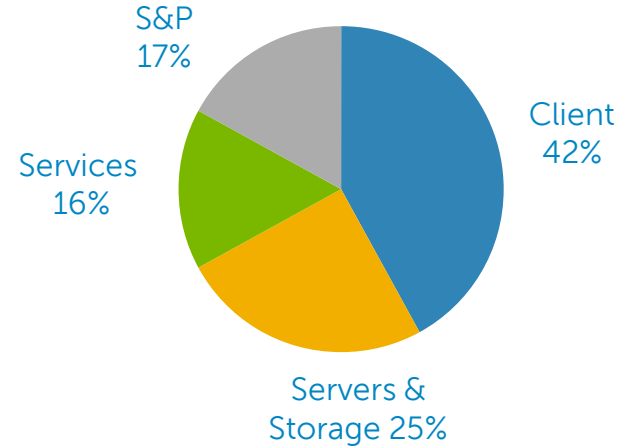


Large Enterprise P&L

\$ in Millions

	1Q'11	2Q'11	3Q'11	4Q'11	1Q'12
Revenues	4,246	4,549	4,326	4,692	4,477
<i>Sequential Growth, %</i>	1%	7%	-5%	8%	-5%
<i>YY Growth, %</i>	25%	38%	27%	12%	5%
Operating Income	283	288	400	502	504
<i>Operating Margin, %</i>	6.7%	6.3%	9.2%	10.7%	11.3%
<i>Sequential Growth, bps</i>	0 bps	-40 bps	290 bps	150 bps	60 bps
<i>YY Growth, bps</i>	100 bps	110 bps	410 bps	400 bps	460 bps

Revenue Mix



- Revenues of \$4.5B (up +5% Y/Y)
- Operating income was \$504M, up +460 bps Y/Y to 11.3%
- Client hardware revenue up +7% Y/Y
- Server revenue up +6% Y/Y



Dell 1Q FY12 Outlook

Brian Gladden
SVP and CFO



Outlook

Updated Full Year FY12 Outlook

Key Metrics	Outlook	Key Drivers
Revenue	up +5–9% Y/Y	<ul style="list-style-type: none">Enterprise solutions and services growth
Operating Income (Non-GAAP)	up +12–18% Y/Y	<ul style="list-style-type: none">Revenue StrengthCommercial LeverageEnd User Computing
Cash Flow	CFOps > Net Income	<ul style="list-style-type: none">OpInc \$ GrowthSustained CCC

Dynamics

- For Q2, we expect mid-single digit sequential revenue growth, which is slightly above normal sequential seasonal growth of 2-3%
- We are confident in the sustainability of our strong margins even as the overall rate of component cost deflation slows
- We anticipate quarterly interest expense of \$70 million, and full-year Non-GAAP tax rate between 21-23%
- We expect improving demand dynamics in the markets that are critical for us, giving us confidence we can deliver on our FY12 outlook of 5-9% Y/Y revenue growth
- Our strong 1Q earnings results are a great start to the year, and we are now raising our total year Non-GAAP operating income outlook to 12-18% Y/Y growth



1Q FY12 Corporate Responsibility

Dell's commitment to our planet, our communities and our people

Our Planet

- Recycled more than 150 million lbs. in FY11—on track to recycle 1 billion lbs. by 2014
- Plan to eliminate 20 million pounds of packaging material from our shipments by the end of 2012
 - Increase sustainable content in cushioning and corrugate packaging by 40%
 - Target 75% of packaging to be curbside recyclable by 2012
- At *Fortune* Brainstorm GREEN we launched a pilot to ship PowerEdge R710 servers with mushroom packaging

Our Communities & Our People

- Expanded Dell YouthConnect to Panama; awarded \$2.5 million in YouthConnect grants in India; gave more than \$6.5 million in the last three years
- Committed more than \$1 million in cash and IT equipment in support of the Japan earthquake and tsunami disaster relief efforts
- Dell ranked 10th out of 581 companies in Covalence's Most Ethical corporations



Dell 1Q FY12 Strategy

Michael Dell
Chairman and CEO



Delivering efficient and flexible solutions for the virtual era

Efficient IT Solutions Open, Capable, Affordable

Enterprise

End-User

Next Generation Computing Solutions

Virtualization

- vStart
- VIS

Systems Management

- AIM
- Creator/Director
- KACE

Data Center Solutions

- Modular Data Centers

Networking

Intelligent Data Management

SAN Solutions

- Compellent
- EqualLogic
- PowerVault

NAS Solutions

- Exanet

IDM Solutions

- Ocarina
- DX Object Storage

Services, Security & Cloud

Services

- Multi-Vendor Support
- Infrastructure
- Applications & BPO

Security

- SecureWorks

Cloud

- ITaaS (e.g. RIMO)
- SaaS (e.g. InSite One)
- PaaS (e.g. Boomi)

End-User Computing

Flexible Value Chain

- Reduce Complexity
- Optimize Value Chain

Mobility Solutions

- Tablets
- Smartphones
- Corporate Access & Device Control

Desktop Virtualization

- DVI



We are investing in organic growth and innovation...

\$1 billion organic Capex, Opex and R&D investment

Solutions investment

Next gen cloud datacenter

Global expansion

Building 10 highly efficient datacenters to provide customers access to public and private cloud technologies

New solution centers

Testing customer application

Investments in world-class IT outsourcing and customer solutions centers to build and test Dell solutions

New solutions

Enabling data center efficiency

Enterprise and services R&D investment for storage, security, cloud, services and acceleration of new solutions

Adding growth resources



Added 5,000+ growth-focused team members in FY'11

Shifting to sales-specialists and retraining and upgrading existing sales capabilities



Dell 1Q FY12

Supplemental Non-GAAP Measures



Supplemental Non-GAAP Measures

	Q1'10	Q2'10	Q3'10	Q4'10	FY10	Q1'11	Q2'11	Q3'11	Q4'11	FY11	Q1'12
GAAP											
Net Income	290	472	337	334	1,433	341	545	822	927	2,635	945
EPS	\$0.15	\$0.24	\$0.17	\$0.17	\$0.73	\$0.17	\$0.28	\$0.42	\$0.48	\$1.35	\$0.49
Adjustments											
Income before Income Taxes											
Amortization of Intangibles	39	40	40	86	205	88	87	89	85	349	92
Severance & Facility Action Costs	185	87	123	86	481	57	24	31	17	129	19
Acquisition Related	-	-	-	116	116	20	16	23	39	98	53
Other ¹⁾	-	-	-	-	-	140	-	(72)		68	0
Aggregate Tax-adjustments	(28)	(24)	(51)	(78)	(181)	(62)	(43)	(18)	(50)	(173)	(59)
EPS - Diluted	\$0.10	\$0.05	\$0.06	\$0.11	\$0.32	\$0.13	\$0.04	\$0.03	\$0.05	\$0.24	\$0.06
Non-GAAP											
Net Income	486	575	449	544	2,054	584	629	875	1,018	3,106	1,050
EPS	\$0.25	\$0.29	\$0.23	\$0.28	\$1.05	\$0.30	\$0.32	\$0.45	\$0.53	\$1.59	\$0.55

1) \$40M Legal Settlement, a \$100M SEC Settlement and a \$72M merger termination fee.



Supplemental Non-GAAP Measures

	Q1'10	Q2'10	Q3'10	Q4'10	FY10	Q1'11	Q2'11	Q3'11	Q4'11	FY11	Q1'12
<u>GAAP gross margin</u>	2,168	2,391	2,233	2,469	9,261	2,516	2,586	3,003	3,291	11,396	3,432
Non-GAAP adjustments:											
Amortization of intangibles	26	27	27	71	151	68	70	71	69	278	71
Severance and facility actions	65	14	102	55	236	29	14	4	6	53	5
Acquisition-related	-	-	-	1	1	1	1	-	2	4	3
Other	-	-	-	-	-	-	-	-	-	-	-
<u>Non-GAAP gross margin</u>	2,259	2,432	2,362	2,596	9,649	2,614	2,671	3,078	3,368	11,731	3,511
<i>Percentage of Total Net Revenue:</i>											
GAAP gross margin	17.6%	18.7%	17.3%	16.6%	17.5%	16.9%	16.6%	19.5%	21.0%	18.5%	22.9%
Non-GAAP adjustment	0.7%	0.4%	1.0%	0.8%	0.7%	0.7%	0.6%	0.5%	0.5%	0.6%	0.5%
Non-GAAP gross margin	18.3%	19.1%	18.3%	17.4%	18.2%	17.6%	17.2%	20.0%	21.5%	19.1%	23.4%



Supplemental Non-GAAP Measures

	Q1'10	Q2'10	Q3'10	Q4'10	FY10	Q1'11	Q2'11	Q3'11	Q4'11	FY11	Q1'12
<u>GAAP operating expenses</u>	1,754	1,720	1,656	1,959	7,089	1,997	1,841	1,979	2,146	7,963	2,220
Non-GAAP adjustments:											
Amortization of intangibles	(13)	(13)	(13)	(15)	(54)	(20)	(17)	(18)	(16)	(71)	(21)
Severance and facility actions	(120)	(73)	(21)	(31)	(245)	(28)	(10)	(27)	(11)	(76)	(14)
Acquisition-related	-	-	-	(115)	(115)	(19)	(15)	(23)	(37)	(94)	(50)
Other ¹⁾	-	-	-	-	-	(140)	-	-	-	(140)	
<u>Non-GAAP operating expenses</u>	1,621	1,634	1,622	1,798	6,675	1,790	1,799	1,911	2,082	7,582	2,135
<i><u>Percentage of Total Net Revenue:</u></i>											
GAAP operating expenses	14.2%	13.5%	12.8%	13.2%	13.4%	13.4%	11.8%	12.8%	13.7%	12.9%	14.8%
Non-GAAP adjustment	-1.1%	-0.7%	-0.2%	-1.1%	-0.8%	-1.4%	-0.2%	-0.4%	-0.4%	-0.6%	-0.6%
Non-GAAP operating expenses	13.1%	12.8%	12.6%	12.1%	12.6%	12.0%	11.6%	12.4%	13.3%	12.3%	14.2%

1) "Other" includes legal settlement and a SEC settlement



Supplemental Non-GAAP Measures

	Q1'10	Q2'10	Q3'10	Q4'10	FY10	Q1'11	Q2'11	Q3'11	Q4'11	FY11	Q1'12
GAAP operating income	414	671	577	510	2,172	519	745	1,024	1,145	3,433	1,212
Non-GAAP adjustments:											
Amortization of intangibles	39	40	40	86	205	88	87	89	85	349	92
Severance and facility actions	185	87	123	86	481	57	24	31	17	129	19
Acquisition-related	-	-	-	116	116	20	16	23	39	98	53
Other ¹⁾	-	-	-	-	-	140	-	-	-	140	-
Non-GAAP operating income	638	798	740	798	2,974	824	872	1,167	1,286	4,149	1,376
<i>Percentage of Total Net Revenue:</i>											
GAAP operating margin	3.4%	5.2%	4.5%	3.4%	4.1%	3.5%	4.8%	6.7%	7.3%	5.6%	8.1%
Non-GAAP adjustment	1.8%	1.1%	1.2%	2.0%	1.5%	2.0%	0.8%	0.9%	0.9%	1.1%	1.1%
Non-GAAP operating margin	5.2%	6.3%	5.7%	5.4%	5.6%	5.5%	5.6%	7.6%	8.2%	6.7%	9.2%

1) "Other" includes legal settlement and a SEC settlement



Supplemental Non-GAAP Measures

Net TTM Free Cash Flow

	Q1'10	Q2'10	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11	Q4'11	Q1'12
Cash flow from operations	2,512	2,480	3,367	3,906	3,383	3,642	3,754	3,969	4,196
Capital expenditure	(398)	(355)	(288)	(367)	(333)	(379)	(402)	(444)	(535)
Financing receivables	483	700	830	1,085	1,266	1,119	988	709	480
Net TTM Free Cash Flow	\$2,597	\$2,825	\$3,909	\$4,624	\$4,316	\$4,382	\$4,340	\$4,234	\$4,141

Net Free Cash Flow

	Q1'10	Q2'10	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11	Q4'11	Q1'12
Cash flow from operations	761	1,076	801	1,268	238	1,335	913	1,483	465
Capital expenditure	(80)	(99)	(70)	(118)	(46)	(145)	(93)	(160)	(137)
Financing receivables	27	352	177	529	208	205	46	250	(21)
Net Free Cash Flow	\$708	\$1,329	\$908	\$1,679	\$400	\$1,395	\$866	\$1,573	\$307

