

DELL INC  
Form 10-Q  
November 23, 2011  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the quarterly period ended October 28, 2011

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 0-17017

Dell Inc.  
(Exact Name of Registrant as Specified in its Charter)

Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)

74-2487834  
(I.R.S. Employer  
Identification No.)

One Dell Way, Round Rock, Texas 78682  
(Address of Principal Executive Offices) (Zip Code)

1-800-BUY-DELL  
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No   
As of the close of business on November 18, 2011, 1,796,509,489 shares of common stock, par value \$.01 per share, were outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report includes “forward-looking statements.” The words “may,” “will,” “anticipate,” “estimate,” “expect,” “intend,” “plan,” “seek” and similar expressions as they relate to us or our management are intended to identify these forward-looking statements. All statements by us regarding our expected financial position, revenues, cash flows and other operating results, business strategy, legal proceedings and similar matters are forward-looking statements. Our expectations expressed or implied in these forward-looking statements may not turn out to be correct. Our results could be materially different from our expectations because of various risks, including the risks discussed in “Part I - Item 1A - Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended January 28, 2011. Any forward-looking statement speaks only as of the date as of which such statement is made, and, except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances, including unanticipated events, after the date as of which such statement was made.

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## PART I

## ITEM 1 — FINANCIAL STATEMENTS

## DELL INC.

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions)

	October 28, 2011 (unaudited)	January 28, 2011
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$13,293	\$13,913
Short-term investments	545	452
Accounts receivable, net	6,690	6,493
Short-term financing receivables, net	3,326	3,643
Inventories, net	1,397	1,301
Other current assets	3,005	3,219
Total current assets	28,256	29,021
Property, plant, and equipment, net	2,123	1,953
Long-term investments	2,183	704
Long-term financing receivables, net	1,279	799
Goodwill	5,943	4,365
Purchased intangible assets, net	1,957	1,495
Other non-current assets	302	262
Total assets	\$42,043	\$38,599
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Short-term debt	\$1,831	\$851
Accounts payable	11,107	11,293
Accrued and other	3,816	4,181
Short-term deferred services revenue	3,465	3,158
Total current liabilities	20,219	19,483
Long-term debt	6,430	5,146
Long-term deferred services revenue	3,744	3,518
Other non-current liabilities	2,987	2,686
Total liabilities	33,380	30,833
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Common stock and capital in excess of \$.01 par value; shares authorized: 7,000; shares issued: 3,388 and 3,369, respectively; shares outstanding: 1,795 and 1,918, respectively	12,071	11,797
Treasury stock at cost: 1,118 and 976 shares, respectively	(30,884	) (28,704
Retained earnings	27,472	24,744
Accumulated other comprehensive income (loss)	4	(71
Total stockholders' equity	8,663	7,766
Total liabilities and stockholders' equity	\$42,043	\$38,599

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.



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DELL INC.

## CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share amounts; unaudited)

	Three Months Ended		Nine Months Ended	
	October 28, 2011	October 29, 2010	October 28, 2011	October 29, 2010
Net revenue:				
Products	\$ 12,312	\$ 12,520	\$ 36,981	\$ 37,251
Services, including software related	3,053	2,874	9,059	8,551
Total net revenue	15,365	15,394	46,040	45,802
Cost of net revenue:				
Products	9,797	10,415	29,168	31,731
Services, including software related	2,099	1,976	6,446	5,966
Total cost of net revenue	11,896	12,391	35,614	37,697
Gross margin	3,469			