

DELL INC
Form S-1/A
July 21, 2008

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As filed with the Securities and Exchange Commission on July 21, 2008

Registration No. 333-151459

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Amendment No. 1

To

**FORM S-1
REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933**

Dell Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

*(State or Other Jurisdiction of
Incorporation or Organization)*

3571

*(Primary Standard Industrial
Classification Code Number)*

74-2487834

*(I.R.S. Employer
Identification Number)*

**One Dell Way
Round Rock, Texas 78682**

(512) 338-4400

*(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive
Offices)*

**Lawrence P. Tu
Senior Vice President and General Counsel**

Dell Inc.
One Dell Way
Round Rock, Texas 78682
(512) 338-4400

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

With copies to:

Janet B. Wright
Director Corporate Legal
Dell Inc.
One Dell Way
Round Rock, Texas 78682
(512) 338-4400

Mark E. Betzen
Jones Day
2727 North Harwood Street
Dallas, Texas 75201
(214) 220-3939

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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 definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell or buy these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell or buy these securities and it is not soliciting an offer to sell or buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, Dated [], 2008

PROSPECTUS

Dell Inc.

**5,841,982 Shares
Common Stock
Rescission Offer**

We are offering, under the terms and conditions described in this prospectus, to rescind (the Rescission Offer) the previous purchase of 5,841,982 shares of our common stock (the Shares), par value \$0.01 per share, by persons who acquired such shares through the Dell Inc. Stock Purchase Plan (the ESPP) by payroll deductions during the four quarterly periods ended March 31, 2006, June 30, 2006, September 30, 2006 and December 31, 2006 (the Purchase Period).

The Rescission Offer applies to Shares purchased during the Purchase Period at prices approximately ranging from \$19.44 per Share to \$25.59 per Share. If you purchased Shares pursuant to the ESPP during the Purchase Period and accept the Rescission Offer, you will receive:

In the event you sold such Shares at a loss, an amount equal to the excess of the amount you paid for such Shares over the proceeds from your sale of the Shares, plus interest.

In the event you currently hold such Shares, upon your tender of such Shares to us by accepting the Rescission Offer, the amount you paid for such Shares, plus interest from the date of the purchase. However, we will not rescind the purchase of the Shares if the amount you paid for the Shares, plus interest, is less than the value of the Shares on the date of expiration of this Rescission Offer.

Although this prospectus uses the term interest when describing the calculation of the Rescission Offer price, the term is only intended to describe the method used to calculate the payment amount, and the payment is not considered interest for U.S. federal income tax purposes. Instead, the entire amount will be considered as a payment for the sale of your Shares.

The Rescission Offer will expire at 3:00 p.m., U.S. Central Time, on September 26, 2008 (the Expiration Date), which is [] days from the date of this prospectus.

Our common stock is listed on The NASDAQ Stock Market under the trading symbol DELL. The last reported sale price of our common stock (as reported on The NASDAQ Stock Market) on [], 2008, was \$[] per share. Our principal executive offices are located at One Dell Way, Round Rock, Texas 78682. Our telephone number is (512) 338-4400.

You may elect to accept the Rescission Offer by submitting a Rescission Offer Election Form to us and, with respect to Shares you currently own, delivering those Shares to American Stock Transfer & Trust Company

(AST) on or before the Expiration Date, in each case in accordance with the instructions to the Rescission Offer Election Form. You do not need to take any action to reject the Rescission Offer. If you fail to return a properly completed Rescission Offer Election Form (together with any other required documents) on or before the Expiration Date, you will be deemed by us to have rejected the Rescission Offer. In addition, if you fail to deliver Shares that you currently own to AST on or before the Expiration Date, you will be deemed to have rejected the Rescission Offer with respect to those Shares. Acceptance or rejection of the Rescission Offer may prevent you from maintaining any action against us based on a claim that we failed to register shares of our common stock purchased pursuant to the ESPP during the Purchase Period. In any event, such claim may be barred by applicable statutes of limitation. See Risk Factors Your right of rescission, if any, under federal and state law may not survive if you affirmatively reject or fail to accept the Rescission Offer on page [].

Investing in our common stock involves risks. See Risk Factors on page 9.

The Shares subject to the Rescission Offer may be deemed not to have been properly registered under the Securities Act of 1933, as amended (the Securities Act), because we inadvertently exceeded the number of shares of our common stock registered with the Securities and Exchange Commission (the SEC) for offer and sale to participants under the ESPP. This prospectus is part of a Registration Statement on Form S-1 filed with the SEC to register these shares, regardless of whether or not you accept the Rescission Offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is [], 2008

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You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with additional or different information. If anyone provides you with additional or different information, you should not rely on it. This prospectus is not an offer to sell or buy nor is it soliciting an offer to buy or sell these securities in any jurisdiction where such offer, solicitation or sale is not permitted. You should assume that the information contained in this prospectus is accurate only as of its date and that any information incorporated by reference is accurate only as of the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since those dates.

Unless otherwise stated or the context otherwise requires, references in this prospectus to Dell, we, us, and our refer to Dell Inc. and its subsidiaries.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents to which we refer you in this prospectus contain forward-looking statements that are based on Dell's current expectations. Actual results in future periods may differ materially from those expressed or implied by those forward-looking statements because of a number of risks and uncertainties. In addition to other factors and matters contained or incorporated by reference in this document, including those disclosed under Risk Factors, these statements are subject to risks, uncertainties and other factors, including, among others:

our expectations regarding the effect of the Rescission Offer on the rescission or damage rights of ESPP participants;

the applicability of exemptions from state law with respect to the sale and issuance of the Shares and to the Rescission Offer;

general economic, business and industry conditions;

our ability to maintain 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;

our ability to effectively manage periodic product transitions;

disruptions in component or product availability;

our reliance on vendors;

our reliance on third-party suppliers for quality product components, including reliance on several single-source or limited-source suppliers;

our ability to access the capital markets;

our ability to maintain a strong internal control environment;

litigation and governmental investigations or proceedings arising out of or related to accounting and financial reporting matters;

our acquisition of other companies;

our ability to properly manage the distribution of our products and services;

our cost-cutting measures;

effective hedging of our exposure to fluctuations in foreign currency exchange rates and interest rates;

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;

changing environmental laws;

the effect of armed hostilities, terrorism, natural disasters and public health issues; and

other risks detailed in our filings with the SEC, including our Annual Report on Form 10-K for the fiscal year ended February 1, 2008. See "Where You Can Find More Information" on page [] of this prospectus.

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QUESTIONS AND ANSWERS ABOUT THE RESCISSION OFFER

The following questions and answers are intended to address briefly some commonly asked questions regarding the Rescission Offer. These questions and answers do not address all questions that may be important to you as a participant in the ESPP who acquired shares by payroll deductions during the four quarterly periods ended March 31, 2006, June 30, 2006, September 30, 2006 and December 31, 2006. Please refer to The Rescission Offer beginning on page [] and the more detailed information contained elsewhere in this prospectus and the documents incorporated by reference into this prospectus, which you should read carefully.

Q: Why are you making the Rescission Offer?

A: We are offering to repurchase up to 5,841,982 shares of our common stock from persons who purchased those shares under the ESPP, that may not have been exempt from registration under the Securities Act. We have discovered that we inadvertently exceeded the number of shares of our common stock registered with the SEC for sale and issuance to participants in the ESPP.

We are making the Rescission Offer with regard to 5,841,982 unregistered Shares sold pursuant to the ESPP during the four quarterly periods ended March 31, 2006, June 30, 2006, September 30, 2006 and December 31, 2006. We are making the Rescission Offer to ensure compliance with the Securities Act and to limit any contingent liability we may have as a result of possible noncompliance with applicable federal registration requirements in connection with the purchase of Shares by ESPP participants. We believe that the statute of limitations period applicable to potential claims for rescission under the Securities Act is one year. Accordingly, in determining the Purchase Period, we selected the end of the latest fiscal quarter during which unregistered sales were made under the ESPP as the ending date of the Purchase Period, and a date that is twelve months earlier as the beginning date of the Purchase Period. Non-employee members of our Board of Directors were not eligible to participate in the ESPP and therefore are not eligible to participate in the Rescission Offer. Our current executive officers and employee members of our Board of Directors who purchased Shares pursuant to the ESPP during the Purchase Period do not intend to participate in the Rescission Offer.

Q: What will I receive if I accept the Rescission Offer?

A: The answer to this question depends on whether you still hold the Shares purchased pursuant to the ESPP during the Purchase Period:

If you have sold such Shares at a loss, we will pay you in U.S. dollars an amount equal to the amount of the loss, plus interest at a rate of 5.27% per year. Interest will be paid on the amount you originally paid for the Shares during the period from the date of your purchase of the Shares through the date of your sale of the Shares and on the loss you realized from your sale of the Shares from the date of your sale through the date that payment is made by us.

If you currently own such Shares, we will repurchase in U.S. dollars such Shares for the amount you paid for such Shares, plus interest at a rate of 5.27% per year from the date you purchased the Shares through the date that payment is made by us. However, we will not rescind the purchase of the Shares if the amount you paid for the Shares, plus interest (to the Expiration Date), is less than the value of the Shares as of the Expiration Date, as it would not be economically beneficial to you.

Proceeds may be paid through Dell payroll and/or a third party provider. Any amounts not paid through Dell payroll will be paid to you in U.S. dollars. You should consider your cost to convert U.S. dollars into your local currency, if applicable.

Q: What interest rate will be used in calculating any amounts owed to me?

A: We will use an annual interest rate of 5.27%, which is calculated on the basis of the highest weekly average 1-year constant maturity Treasury yield in effect at any time during the Purchase Period.

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Q: Am I required to accept the Rescission Offer?

A: No. You are not required to accept the Rescission Offer. Your decision to accept or reject the Rescission Offer is completely voluntary. If you are an employee of Dell, acceptance or rejection of the Rescission Offer will not have any bearing or effect on your employment status.

Q: Should I accept the Rescission Offer?

A: You must make your own decision whether to accept the Rescission Offer. In general, it may be economically beneficial to you to accept the Rescission Offer **if**:

you sold Shares you purchased during the Purchase Period for less than you paid for them, **or**

you now own Shares you purchased during the Purchase Period that on the Expiration Date will be worth less than the Rescission Offer price for those Shares (*i.e.*, the price you paid for the Shares, plus interest).

However, in making your decision whether to accept the Rescission Offer, you should consider all relevant factors in light of your particular circumstances, including your cost to convert U.S. dollars into your local currency, if applicable, and the potential tax consequences of accepting the Rescission Offer (see **Material U.S. Federal Income Tax Consequences**) and, if you now own Shares you purchased during the Purchase Period, the possibility that the value of those Shares may increase or decrease after the Expiration Date.

In addition, you should note that, under the terms of the Rescission Offer, we will not rescind the purchase of any Shares unless you return to us a Rescission Offer Election Form indicating that (1) you sold Shares you purchased during the Purchase Period for less than you paid for them, accompanied by proof reasonably satisfactory to us evidencing the sale of those Shares, and/or (2) you now own Shares you purchased during the Purchase Period that on the Expiration Date are worth less than the Rescission Offer price. Reasonably satisfactory proof of loss would include confirmation of shares sold on official broker letterhead that details the cost of sale or actual sale price, Form 1099B statements showing the sales proceeds or transactional statements on your broker's letterhead. If the sale price was paid in property, the price will be deemed to be the fair market value of such property at the time of sale.

WE URGE YOU TO REVIEW THIS PROSPECTUS CAREFULLY BEFORE DECIDING WHETHER TO ACCEPT OR REJECT THE RESCISSION OFFER.

If you have any questions about the Rescission Offer, you can call the Dell Inc. Rescission Offer Call Center by dialing your country's international long distance access code followed by 877 888-4601, Monday through Friday between the hours of 8:00 a.m. and 8:00 p.m., U.S. Central Time.

Q: Where can I obtain purchase and sales history about my Shares?

A: You should review your ESPP purchase and sales history to determine whether you should accept all or a part of this Rescission Offer. Unless you live in Brazil, you can view your transaction detail online through E*TRADE at www.etrade.com/stockplans. U.S. residents can also call E*TRADE customer service at 1-800-838-0908 for assistance. Non-U.S. residents (other than Canadian residents) can call E*TRADE customer service at +1-650-599-0125. Canadian residents can call E*TRADE customer service at 1-877-283-0703. Brazilian residents should call UBS customer service at (713) 654-4738 for transaction detail. If you have transferred your shares to another broker, contact your current broker for assistance.

Q: What is the effect of the Rescission Offer on my ability to assert claims?

A: The rights remaining to the recipients of a rescission offer are not clearly delineated under the federal or certain state securities laws. The staff of the SEC takes the position that a person's federal right of rescission may survive a rescission offer.

For a more detailed description of the effect of the Rescission Offer on any applicable federal securities law claims, see Risk Factors. The Rescission Offer may not bar claims relating to our non-compliance with securities laws, and we may continue to be contingently liable for rescission or damages in an

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indeterminate amount and Risk Factors Your right of rescission, if any, under federal and state law may not survive if you affirmatively reject or fail to accept the Rescission Offer.

Q: May I accept the Rescission Offer in part?

A: Yes. You may accept the Rescission Offer for all or part of the Shares that were purchased during the Purchase Period that you still own, as well as all or part of the Shares that you purchased during the Purchase Period that you sold at a loss. As described above, however, if you accept the Rescission Offer, we will only repurchase those Shares you now own that, as of the Expiration Date, have a value less than the price you paid for the Shares, plus interest (to the Expiration Date).

Q: What happens if I accept the Rescission Offer for Shares that I currently own but the amount I would receive for the Shares is less than the value of the Shares on the Expiration Date?

A: If you submit a Rescission Offer Election Form to us for Shares you currently own and deliver those Shares to AST, we will not repurchase those Shares for which the price per share that you paid, plus interest (to the Expiration Date), is less than the value of a Share as of the Expiration Date. Accordingly, you will continue to own those Shares. Dell will not charge any expense of returning those Shares to you; your broker may, however, charge some fee to take the shares back from AST. AST will contact you after the Expiration Date with more information on how your Shares will be returned to you.

Q: When does the Rescission Offer expire?

A: The Rescission Offer expires at 3:00 p.m., U.S. Central Time, on September 26, 2008, which is [] days from the date of this prospectus.

Q: What do I need to do now to accept the Rescission Offer?

A: If you want to accept the Rescission Offer with respect to Shares you currently own, please mail or fax a properly completed Rescission Offer Election Form (together with any other required documents) to us and deliver the Shares to AST in accordance with the instructions to the Rescission Offer Election Form. If you want to accept the Rescission Offer with respect to Shares you have sold, please mail or fax a properly completed Rescission Offer Election Form (together with any other required documents) to us in accordance with the instructions to the Rescission Offer Election Form. Reasonably satisfactory proof of loss would include confirmation of shares sold on official broker letterhead that details the cost of sale or actual sale price, Form 1099B statements showing the sales proceeds or transactional statements on your broker's letterhead. If the sale price was paid in property, the price will be deemed to be the fair market value of such property at the time of sale.

You may mail or fax to us your Rescission Offer Election Form along with the attached Form W-9 or Form W-8BEN. Only US Persons (which includes US citizens and residents) need to complete the Form W-9; non-US Persons need to complete the Form W-8BEN. Please review the Instructions to Rescission Offer Election Form to determine if you qualify as a US Person. In order to accept the Rescission Offer, you must complete, sign and date the Rescission Offer Election Form, along with the attached Form W-9 or Form W-8BEN, and return them by mail or fax so that they are received by us on or before 3:00 p.m., U.S. Central Time, on September 26, 2008. You may mail your Rescission Offer Election Form, satisfactory proof of your sale history (if applicable), and your Form W-9/W-8BEN to:

Dell Inc. Rescission Offer
70 University Avenue, P.O. Box 5

Toronto, ON
M5J 2M4

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If you prefer to return your completed Rescission Offer Election Form and accompanying documentation via overnight delivery or you request delivery confirmation from the USPS, you may send your materials to:

Dell Inc. Rescission Offer
70 University Avenue, 8th Floor
Toronto, ON
M5J 2M4
877-888-4601

You may fax your Rescission Offer Election Form together with any other required documents to 888-810-7480 if you are in North America or 800-810-7480-0 if you are outside of North America.

If you choose to accept the Rescission Offer, we recommend that you mail or fax the Rescission Offer Election Form and Form W-9/W-8BEN sufficiently in advance of the Expiration Date to ensure its receipt by the deadline specified above. In addition, you should make arrangements sufficiently in advance to ensure your Shares are delivered to AST by the Expiration Date at the following address:

American Stock Transfer & Trust Company
6201 15th Avenue
Brooklyn, NY 11219
Attn: Carlos Pinto

Your stock certificate **MUST** include your identification number located on your Rescission Offer Election Form as Shares will not be accepted without it. You will be deemed to have rejected the Rescission Offer if your identification number is not included with your stock certificate.

The method for returning the Rescission Offer Election Form is at your option and risk, and delivery will be deemed made only when actually received by us at the address or fax number indicated above. If delivery is by mail, we recommend using registered mail with return receipt requested.

YOUR PROPERLY COMPLETED RESCISSION OFFER ELECTION FORM (TOGETHER WITH ANY OTHER REQUIRED DOCUMENTS) MUST BE LEGIBLE AND RECEIVED BY US ON OR BEFORE 3:00 P.M., U.S. CENTRAL TIME, ON THE EXPIRATION DATE. OTHERWISE, YOU WILL BE DEEMED TO HAVE REJECTED THE RESCISSION OFFER. IN ADDITION, IF YOU ARE ACCEPTING THE RESCISSION OFFER WITH RESPECT TO SHARES YOU CURRENTLY OWN, AST MUST RECEIVE DELIVERY OF THOSE SHARES ON OR BEFORE 3:00 P.M., U.S. CENTRAL TIME, ON THE EXPIRATION DATE OR YOU WILL BE DEEMED TO HAVE REJECTED THE RESCISSION OFFER WITH RESPECT TO THOSE SHARES. IF YOU HAVE ALREADY SOLD SHARES SUBJECT TO THE RESCISSION OFFER AT A LOSS, YOU MUST ENCLOSE WITH THE RESCISSION OFFER ELECTION FORM PROOF REASONABLY SATISFACTORY TO US EVIDENCING THE BONA FIDE SALE OF THOSE SHARES TO A THIRD PARTY, INCLUDING THE SALE PRICE FOR THOSE SHARES, OR YOU WILL BE DEEMED TO HAVE REJECTED THE RESCISSION OFFER WITH RESPECT TO THOSE SHARES. REASONABLY SATISFACTORY PROOF OF LOSS WOULD INCLUDE CONFIRMATION OF SHARES SOLD ON OFFICIAL BROKER LETTERHEAD THAT DETAILS THE COST OF SALE OR ACTUAL SALE PRICE, FORM 1099B STATEMENTS SHOWING THE SALES PROCEEDS OR TRANSACTIONAL STATEMENTS ON YOUR BROKER'S LETTERHEAD. IF THE SALE PRICE WAS PAID IN PROPERTY, THE PRICE WILL BE DEEMED TO BE THE FAIR MARKET VALUE OF SUCH PROPERTY AT THE TIME OF SALE. WE WILL, IN OUR SOLE DISCRETION, DETERMINE WHETHER

YOUR RESCISSION OFFER ELECTION FORM HAS BEEN PROPERLY COMPLETED, WHETHER YOUR SHARES HAVE BEEN PROPERLY DELIVERED TO AST, WHETHER THE PROOF IS REASONABLY SATISFACTORY AND WHETHER YOU ARE ELIGIBLE TO ACCEPT THE RESCISSION OFFER.

As indicated above, US Persons should complete and return the Form W-9 attached to the Rescission Offer Election Form. Non-US Persons should complete and return the enclosed Form W-8BEN. Please review the Instructions to Rescission Offer Election Form to determine if you qualify as a US Person. You may participate in the Rescission Offer even if you don't complete your Form W-9 or Form W-8BEN. However, if your properly completed Form W-9 or Form W-8BEN is not received with your Rescission Offer

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Election Form, we may be required to withhold additional amounts from Rescission Offer payments to you (generally at a 28% or 30% rate).

Following the Expiration Date, upon request we will mail to you a Confirmation Statement confirming your acceptance of the Rescission Offer and detailing the Rescission Offer transactions and disbursement of all proceeds in accordance with the terms of this prospectus. To request a Confirmation Statement, you should call the Dell Inc. Rescission Offer Call Center by dialing your country's international long distance access code followed by 877 888-4601, Monday through Friday between the hours 8:00 a.m. and 8:00 p.m., U.S. Central Time. Proceeds will be disbursed within eight weeks following the Expiration Date. All or part of your payment may be paid via Dell payroll. Any amounts that are not paid via Dell payroll will be paid to you by a third party provider in U.S. dollars. Unless you instruct us otherwise, any proceeds sent via third party will be sent to the address to which this prospectus was mailed. If this address is incorrect, please contact the HR Service Center at 1-888-335-5663, option 3 between the hours of 9:00 a.m. and 4:00 p.m. Central Time to update your address.

We recommend that you write down your identification number printed on the front of your Rescission Offer Election Form. You will need to provide that identification number if you change your mind and decide to revoke your acceptance prior to the Expiration Date.

If you own the Shares subject to the Rescission Offer through a broker or other nominee, please see the next question.

Q: What do I need to do to accept the Rescission Offer if I hold Shares through a broker or other nominee?

A: If you purchased, and still hold, Shares subject to the Rescission Offer through a broker or other nominee and you desire to accept the Rescission Offer, you should contact your broker or other nominee promptly and instruct it to accept the Rescission Offer on your behalf. Shares delivered electronically through a broker or other nominee via DWAC should be sent to AST. AST's DWAC participant number is 2941. You must advise your broker or other nominee to deliver your Shares via the DWAC system to DWAC agent 2941 AST. Because it may take your broker or other nominee several weeks to deliver your Shares to AST, you should contact your broker or other nominee as soon as practicable. Please make sure your broker or other nominee includes in the comments field your unique identification number located on your Rescission Offer Election Form or your Shares will not be accepted. You will be deemed to have rejected the Rescission Offer if your identification number is not included in the comments field. Please do not send your Rescission Offer Election Form to AST. If you hold the Shares subject to the Rescission Offer through a broker or other nominee who accepts the Rescission Offer on your behalf, your broker or other nominee may charge you a commission for doing so. You should consult with your broker or other nominee to determine whether any charges will apply.

Q: What is considered proof of a bona fide transaction?

A: If you have sold Shares to a third party in a bona fide transaction, you will need to provide proof reasonably satisfactory to Dell evidencing the sale. Satisfactory proof of the sale price of those Shares may take the form of a receipt or transaction or confirmation statement from the broker, dealer, or other person conducting the sale. If the sale price was paid in property, the price will be deemed to be the fair market value of such property at the time of sale. If the proof of a bona fide sale is not reasonably satisfactory to Dell, you will be deemed to have rejected the Rescission Offer. In addition, we may require evidence that any sale of Shares was a bona fide transfer of those Shares.

Q: What do I need to do now to reject the Rescission Offer?

A: You do not need to take any action to reject the Rescission Offer.

Q: What happens if I fail to properly complete or deliver any of the required documents or take any other required action in a timely manner?

A: If you do not properly complete or deliver any of the required documents or take any other required action in a timely manner, you will be deemed to have rejected the Rescission Offer unless the Company in its

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sole discretion elects to waive the requirement for a particular document or action, or to extend the deadline for the delivery of any required document or the taking of any required action, as applicable.

If you do not return a properly completed Rescission Offer Election Form (together with any other required documents) to us and/or, in the case of Shares you currently own, do not deliver the Shares to AST, on or before 3:00 p.m., U.S. Central Time, on the Expiration Date, you will be deemed to have rejected the Rescission Offer. If you have already sold Shares subject to the Rescission Offer at a loss, you must enclose with the Rescission Offer Election Form proof reasonably satisfactory to us evidencing the bona fide sale of those Shares to a third party, including the sale price for those Shares, or you will be deemed to have rejected the Rescission Offer with respect to those Shares.

If you reject the Rescission Offer, you will not receive any payment with respect to the Shares subject to the Rescission Offer. In addition, the Shares that you now own and that are subject to the Rescission Offer, for purposes of applicable federal securities law, will be registered securities as of the date of this prospectus.

Q: Can I change my mind after I have mailed my signed Rescission Offer Election Form?

A: Yes. You can change your decision about accepting or rejecting the Rescission Offer at any time on or before the Expiration Date.

If you change your decision and want to reject the Rescission Offer after having submitted the Rescission Offer Election Form, you may reject the Rescission Offer by mailing or faxing a notice that includes your name, signature, address, identification number and a clear indication that you are rejecting the Rescission Offer. You may mail your notice of rejection to:

Dell Inc. Rescission Offer
70 University Avenue, P.O. Box 5
Toronto, ON
M5J 2M4

If you prefer to send us your notice of rejection via overnight delivery or you request delivery confirmation from the USPS, you may send your notice of rejection to:

Dell Inc. Rescission Offer
70 University Avenue, 8th Floor
Toronto, ON
M5J 2M4
877-888-4601

You may fax your notice of rejection to 888-810-7480 if you are in North America or 800-810-7480-0 if you are outside of North America.

THIS NOTICE OF REJECTION MUST BE LEGIBLE AND RECEIVED AT THE ABOVE ADDRESS ON OR BEFORE 3:00 P.M., U.S. CENTRAL TIME, ON THE EXPIRATION DATE. OTHERWISE YOU WILL BE DEEMED TO HAVE ACCEPTED THE RESCISSION OFFER PURSUANT TO YOUR ELECTION ON THE ORIGINAL RESCISSION OFFER ELECTION FORM.

Q: When will I receive payment for my shares if I properly accept the Rescission Offer?

- A: Following the Expiration Date, upon request we will mail to you a Confirmation Statement confirming your acceptance of the Rescission Offer and detailing the Rescission Offer transactions and disbursement of all proceeds in accordance with the terms of this prospectus. To request a Confirmation Statement, you should call the Dell Inc. Rescission Offer Call Center by dialing your country's international long distance access code followed by 877 888-4601, Monday through Friday between the hours of 8:00 a.m. and 8:00 p.m., U.S. Central Time Unless you instruct us otherwise, your proceeds from the Rescission Offer, less required tax withholding, will be mailed to the address to which this prospectus was mailed. All or part of your payment may be paid via Dell payroll. Any amounts that are not paid via Dell payroll will be paid to you by a third party provider in U.S. dollars. If this address is incorrect, please contact the HR Service Center at 1-888-335-5663, option 3, between the hours of 9:00 a.m. and 4:00 p.m., U.S. Central Time,

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to update your address. Your proceeds will be sent to you within eight weeks following the Expiration Date.

Q: Who can help answer my questions?

A: If you have questions regarding the Rescission Offer, you may call the Dell Inc. Rescission Offer Call Center by dialing your country's international long distance access code followed by 877 888-4601, Monday through Friday between the hours of 8:00 a.m. and 8:00 p.m., U.S. Central Time.

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RISK FACTORS

An investment in our common stock involves risks. You should carefully consider the following risk factors relating to the Rescission Offer in addition to the risks identified in Cautionary Statement Regarding Forward-Looking Statements above and the risks identified in our Annual Report on Form 10-K for the year ended February 1, 2008, including those risks identified under the caption Risk Factors in our Annual Report on Form 10-K. Please see Where You Can Find More Information on page [].

The Rescission Offer may not bar claims relating to our possible non-compliance with securities laws, and we may continue to be contingently liable for rescission or damages in an indeterminate amount.

It is not certain that the Rescission Offer will have the effect of barring claims relating to our possible non-compliance with applicable federal securities laws. If a person accepts the Rescission Offer, we believe our potential liability to that person will be eliminated. Should the Rescission Offer be rejected, we may continue to be contingently liable for rescission or damages, which could result in an adverse effect on our results of operations and financial condition. In addition, the Rescission Offer will not prevent regulators from pursuing enforcement actions or imposing penalties and fines against us with respect to any violations of securities laws. In any event, we do not expect the Rescission Offer to have a material impact on our financial condition or liquidity.

Your right of rescission under federal and state law, if any, may not survive if you affirmatively reject or fail to accept the Rescission Offer.

The rights remaining to the recipients of a rescission offer are not clearly delineated under federal or certain state securities laws. If you affirmatively reject or fail to accept the Rescission Offer, it is unclear whether your federal right of rescission, if any, will be preserved. The staff of the SEC takes the position that a person's federal right of rescission may survive a rescission offer. However, the few federal courts that have addressed this issue in the past have suggested that, at least in certain circumstances, a person who rejects or fails to accept a rescission offer may be precluded from later seeking similar relief.

The Rescission Offer may also affect your right of rescission and your right to damages, if any, under state law. We believe that the sale of Shares that are the subject of the Rescission Offer were exempt from registration under state laws. Furthermore, we believe that the Rescission Offer is exempt from registration under the laws of such states and thus need not comply with the laws of such states regulating such offers. However, we do not make any representation as to the compliance of this Rescission Offer with applicable state law. Under most state laws, acceptance or rejection of a rescission offer may preclude offerees from initiating an action against the rescission offeror in connection with the registration of securities that are the subject of the rescission offer. We may assert, among other defenses, in any litigation initiated by a person eligible to participate in the Rescission Offer who accepts or rejects the Rescission Offer, that such person is estopped from asserting such claims as a result of the Rescission Offer.

Generally, the statute of limitations for enforcement of federal statutory rescission rights by a security holder is one year commencing on the date of the sale of the security sold in violation of the federal registration requirements, but in no event later than three years after the security was bona fide offered to the public. The Company believes that the one-year federal statute of limitations on sales of ESPP shares has expired and that ESPP participants now have no federal rescission rights. Statutes of limitations under state laws vary by state, with the limitation time period under many state statutes not typically beginning until the facts giving rise to a violation are known. Our Rescission Offer is not an admission that we did not comply with any federal and state registration or disclosure requirements nor is it a waiver by us of any applicable statute of limitations or any potential defense we may have. Determining when a

statute of limitations expires under federal or state law can be a difficult issue, and you should consult with an attorney if you have any questions regarding how federal or state statutes of limitations may apply to any claims you have.

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OUR COMPANY

Dell listens to customers and delivers innovative technology and services they trust and value. As a leading technology company, we offer a broad range of product categories, including desktop PCs, servers and networking products, storage, mobility products, software and peripherals, and services. According to the IDC Worldwide Quarterly PC Tracker, we are the number one supplier of personal computer systems in the United States, and the number two supplier worldwide.

Our company is a Delaware corporation and was founded in 1984 by Michael Dell on a simple concept: by selling computer systems directly to customers, we can best understand their needs and efficiently provide the most effective computing solutions to meet those needs. Our corporate headquarters are located in Round Rock, Texas, and we conduct operations worldwide through subsidiaries.

Our principal executive offices are located at One Dell Way, Round Rock, Texas 78682. Our telephone number is (512) 338-4400.

THE RESCISSION OFFER

Background and Reasons for the Rescission Offer

We are offering to repurchase up to 5,841,982 shares of our common stock from persons who purchased those shares under the ESPP that may have been required to be registered under the Securities Act. In the Spring of 2007, it appeared that the on-going Audit Committee investigation would prevent us from timely filing our annual report on Form 10-K for the fiscal year 2007. As a result, we began planning for a suspension of issuances under the ESPP. In the process of planning for the suspension, we discovered that issuances of shares under the ESPP exceeded the number of shares we had registered on Form S-8. Our inadvertent failure to register with the SEC the issuance of certain shares of our common stock under the ESPP may have constituted a violation of Section 5 of the Securities Act (which generally requires registration of offers and sales of securities) and may give rise to liability under Section 12 of the Securities Act (which generally provides a rescission remedy for offers and sales of securities in violation of Section 5).

We are making this Rescission Offer with regard to 5,841,982 unregistered Shares sold pursuant to the ESPP during the Purchase Period. We are making the Rescission Offer to ensure compliance with the Securities Act and to limit any contingent liability we may have as a result of possible noncompliance with applicable federal registration requirements in connection with the purchase of Shares by ESPP participants. Non-employee members of our Board of Directors were not eligible to participate in the ESPP and therefore are not eligible to participate in the Rescission Offer. Our current executive officers and employee directors who purchased Shares pursuant to the ESPP during the Purchase Period do not intend to participate in the Rescission Offer.

Effect of the Rescission Offer

If you reject or fail to timely accept the Rescission Offer in accordance with the terms and conditions set forth in this prospectus and the instructions to the Rescission Offer Election Form by 3:00 p.m., U.S. Central Time, on the Expiration Date, or if you accept the Rescission Offer but we determine that you are not eligible to accept the Rescission Offer under the terms set forth in this prospectus, you will retain ownership of the Shares you own and will not receive any payment for any Shares subject to the Rescission Offer (including any Shares that you may have previously sold). In addition, the Shares that you now own that are subject to the Rescission Offer, for purposes of

applicable federal securities law, will be registered securities as of the date of this prospectus and, unless you are deemed to be an affiliate (as defined in Rule 144 under the Securities Act) of Dell, those shares will be freely tradable in the public market after the Expiration Date. Those shares owned by our affiliates will be subject to the restrictions on resale provided in Rule 144 under the Securities Act.

Your acceptance of the Rescission Offer may preclude you from later seeking similar relief, if any is available. For federal securities law purposes, rejection or the failure to accept a rescission offer may not

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terminate an offeree's right to bring a civil action against the offeror for failure to register securities under the Securities Act before expiration of the applicable statute of limitations. The staff of the SEC takes the position that a person's federal right of rescission may survive a rescission offer. However, the few federal courts that have addressed this issue in the past have suggested that, at least in certain circumstances, a person who rejects or fails to accept a rescission offer may be precluded from later seeking similar relief.

The above discussion relates primarily to your potential rescission rights and does not address the antifraud provisions of federal securities laws or rights under state securities laws, common law or equity. We believe that the sale and issuance of the Shares that are the subject of the Rescission Offer were exempt from registration under state laws. Furthermore, we believe that this Rescission Offer is exempt from registration under state laws and thus need not comply with state laws regulating such offers. However, we do not make any representation as to the compliance of this Rescission Offer with any applicable state law. Under most state laws, acceptance or rejection of a rescission offer may preclude offerees from initiating an action against the rescission offeror in connection with the registration of securities that are the subject of the rescission offer.

Generally, the federal statute of limitations for enforcement of such statutory rights by a security holder is one year commencing on the date of the sale of the security sold in violation of the federal registration requirements, but in no event later than three years after the security was bona fide offered to the public. The Company believes that the one-year federal statute of limitations on sales of ESPP shares has expired and that ESPP participants now have no federal rescission rights. Statutes of limitations under state laws vary by state, with the limitation period under many state statutes not typically beginning until the facts giving rise to the violation are known. Our Rescission Offer is not an admission that we did not comply with any federal or state registration or disclosure requirement nor is it a waiver by us of any applicable statute of limitations or any potential defense we may have. Determining when a statute of limitations expires under federal or state law can be a difficult issue, and you should consult with an attorney if you have any questions regarding how federal or state statutes of limitations may apply to any claims you have or regarding any of your legal rights and remedies before deciding whether or not to accept the Rescission Offer.

Terms of the Rescission Offer

If you purchased Shares through the ESPP during the Purchase Period and have already sold those Shares at a loss, you may accept the Rescission Offer, in which case you will receive in U.S. dollars an amount equal to the amount you paid for the Shares less the proceeds you received for the sale of the Shares, plus interest at a rate of 5.27% per year. Interest will be paid on the amount originally paid for the Shares from the date you purchased the Shares through the date you sold the Shares. Interest will also be paid on the loss realized from your sale of the Shares from the date of such sale through the date that payment is made by us.

If you currently own Shares purchased through the ESPP during the Purchase Period, you may also accept the Rescission Offer with respect to any of those Shares, and we will repurchase in U.S. dollars those Shares from you, in which case you will receive the amount you paid for the Shares, plus interest at a rate of 5.27% per year for the period from the date you purchased the Shares to the date payment is made by us. However, we will not rescind the purchase of any Share if the price you paid for the Share plus interest (to the Expiration Date) is less than the value of the Share as of the Expiration Date, as it would not be economically beneficial to you.

Although this prospectus uses the term "interest" when describing the calculation of the Rescission Offer price, the term is only intended to describe the method used to calculate the payment amount, and the payment is not considered interest for federal income tax purposes. Instead, the entire amount will be considered as a payment for the sale of your Shares.

Because this Rescission Offer is being made, in part, to limit any contingent liability that we may have as a result of possible noncompliance with applicable U.S. federal registration requirements, and because the offerees to whom this Rescission Offer is being made reside in a variety of U.S. and non-U.S. jurisdictions, the Company believes that it is appropriate to use a U.S. federal reference rate of interest to determine the interest rate to be applied in this Rescission offer. U.S. federal law does not provide a specific rate of interest

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to be used in rescission offers. However, we have determined that an appropriate interest rate to be applied in this Rescission Offer is the weekly average 1-year constant maturity Treasury yield (CMT), as published by the Board of Governors of the Federal Reserve System. We have selected the CMT rate in effect on both June 30, 2006, and July 7, 2006 (5.27%), because it represents the highest CMT rate in effect for any calendar week during the Purchase Period and is significantly higher than the CMT rate in effect on the date of this prospectus. Consequently, we will apply an annual rate of interest of 5.27% to all interest rate calculations used in this Rescission Offer.

The Rescission Offer will expire at 3:00 p.m., U.S. Central Time, on September 26, 2008, which is [] days from the date of this prospectus. If all deliveries and other actions required to validly accept the Rescission Offer are completed in accordance with the terms and conditions set forth in this prospectus and the instructions to the Rescission Offer Election Form prior to the deadline specified in the preceding sentence, and we determine that you are eligible to accept the Rescission Offer, we expect to send you payment of any proceeds to which you are entitled within eight weeks following the Expiration Date. Proceeds may be paid through Dell payroll and/or a third party provider. Any amounts not paid through Dell payroll will be paid to you in U.S. dollars. In deciding whether to accept the Rescission Offer, you should consider your cost to convert U.S. dollars into your local currency, if applicable.

As of [], 2008, the closing sale price of our common stock (as reported on The NASDAQ Stock Market) was \$[] per share. If you still own Shares, you should obtain current price information regarding our common stock prior to deciding whether to accept or reject the Rescission Offer.

The table below sets forth the high and low sale prices of our common stock for the first quarter of fiscal year 2009 and for each quarter during fiscal year 2008 and fiscal year 2007.