

DELL INC. NDQ-DELL

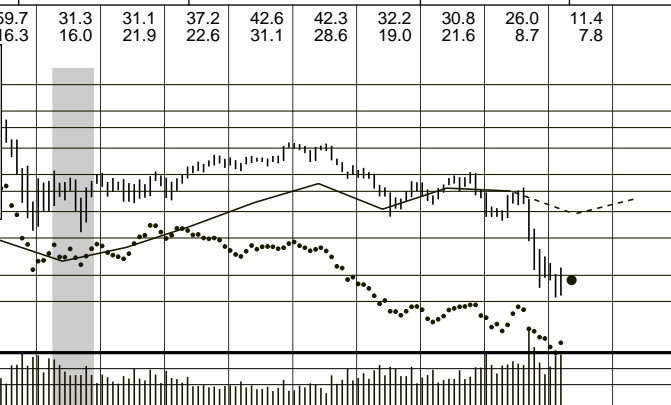
RECENT PRICE **9.48** P/E RATIO **11.4** (Trailing: 7.6 Median: 29.0) RELATIVE P/E RATIO **0.95** DIV'D YLD **Nil** **VALUE LINE**

TIMELINESS 4 Lowered 3/13/09
SAFETY 3 Lowered 1/12/07
TECHNICAL 3 Raised 4/3/09
BETA .95 (1.00 = Market)

High: 37.9 55.0 59.7 31.3 31.1 37.2 42.6 42.3 32.2
 Low: 9.9 31.4 16.3 16.0 21.9 22.6 31.1 28.6 19.0

LEGENDS
 — 15.0 x "Cash Flow" p sh
 ... Relative Price Strength
 2-for-1 split 12/96
 2-for-1 split 7/97
 2-for-1 split 3/98
 2-for-1 split 9/98
 2-for-1 split 3/99

Options: Yes
 Shaded area: prior recession
 Latest recession began 12/07



Target Price Range	2012	2013	2014
80			
60			
50			
40			
30			
25			
20			
15			
10			
7.5			

% TOT. RETURN 3/09

THIS STOCK	VL ARITH. INDEX
1 yr. -52.4	-36.8
3 yr. -68.1	-38.1
5 yr. -71.8	-19.5

2012-14 PROJECTIONS

Price	Gain	Ann'l Total Return
High 40	(+320%)	43%
Low 25	(+165%)	27%

Insider Decisions

	M	J	J	A	S	O	N	D	J
to Buy	0	1	1	0	0	0	0	1	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	3	0	0	0	0	0	0	1

Institutional Decisions

	2Q2008	3Q2008	4Q2008
to Buy	277	268	277
to Sell	441	427	418
Hlds(000)	1372644	1317433	1335981

Percent shares traded: 36, 24, 12

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	© VALUE LINE PUB., INC.	12-14
1.18	1.37	1.77	2.80	4.79	7.17	9.81	12.26	11.98	13.73	16.21	19.80	23.99	25.80	29.68	31.43	25.50	27.05	Sales per sh ^A	38.90
.00	.07	.10	.21	.39	.61	.78	.98	.78	.90	1.14	1.47	1.81	1.37	1.73	1.67	1.30	1.50	"Cash Flow" per sh	2.40
d.02	.05	.09	.17	.32	.53	.68	.84	.65	.80	1.01	1.29	1.56	1.14	1.31	1.25	.90	1.10	Earnings per sh ^{A B}	1.80
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
.02	.03	.03	.04	.07	.12	.15	.19	.12	.12	.13	.21	.31	.40	.40	.23	.25	.35	Cap'l Spending per sh	.50
.14	.21	.32	.39	.50	.91	2.06	2.16	1.80	1.89	2.46	2.61	1.77	1.99	1.81	2.20	2.95	3.80	Book Value per sh	7.30
2427.5	2539.5	2990.3	2768.8	2576.0	2543.0	2575.0	2601.0	2602.0	2579.0	2556.0	2485.0	2330.0	2226.0	2060.0	1944.0	1960.0	1960.0	Common Shs Outst'g ^C	1800.0
--	10.4	11.6	12.6	26.8	49.7	62.3	45.0	38.9	33.3	31.6	28.0	23.1	22.3	19.7	14.3			Avg Ann'l P/E Ratio	18.0
--	.68	.78	.79	1.54	2.58	3.55	2.93	1.99	1.82	1.80	1.48	1.23	1.20	1.05	.88			Relative P/E Ratio	1.20
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil

CAPITAL STRUCTURE as of 1/30/09
 Total Debt \$2,011 mill. Due in 5 Yrs. \$712 mill.
 LT Debt \$1,898 mill. LT Interest \$110.7 mill.
 (31% of Cap'l)

No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 1,951,045,734 shs. as of 3/13/09
MARKET CAP: \$18.5 billion (Large Cap)

25265	31888	31168	35404	41444	49205	55908	57420	61133	61101	50000	53000	Sales (\$mill) ^A	70000
10.3%	9.4%	8.1%	8.6%	9.2%	9.3%	9.3%	6.2%	6.6%	6.5%	6.3%	6.7%	Operating Margin ^D	7.5%
156.0	240.0	239.0	211.0	263.0	334.0	393.0	471.0	607.0	769.0	800	850	Depreciation (\$mill)	1050
1860.0	2310.0	1780.0	2122.0	2645.0	3323.0	3825.0	2583.0	2947.0	2478.0	1750	2100	Net Profit (\$mill)	3300
29.7%	30.0%	28.0%	29.9%	29.0%	25.2%	23.7%	22.8%	23.0%	25.5%	25.0%	26.0%	Income Tax Rate	28.0%
7.4%	7.2%	5.7%	6.0%	6.4%	6.8%	6.8%	4.5%	4.8%	4.1%	3.5%	4.0%	Net Profit Margin	4.7%
2489.0	2948.0	358.0	49.0	6263.0	2761.0	1779.0	2148.0	1354.0	5292.0	6000	6500	Working Cap'l (\$mill)	8000
508.0	509.0	520.0	506.0	505.0	505.0	504.0	569.0	362.0	1898.0	2100	2500	Long-Term Debt (\$mill)	3200
5308.0	5622.0	4694.0	4873.0	6280.0	6485.0	4129.0	4439.0	3735.0	4271.0	5775	7475	Shr. Equity (\$mill)	13150
32.3%	38.1%	34.5%	39.6%	39.1%	47.7%	82.9%	51.9%	72.3%	41.1%	23.0%	21.5%	Return on Total Cap'l	20.5%
35.0%	41.1%	37.9%	43.5%	42.1%	51.2%	92.6%	58.2%	78.9%	58.0%	30.5%	28.0%	Return on Shr. Equity	25.0%
35.0%	41.1%	37.9%	43.5%	42.1%	51.2%	92.6%	58.2%	78.9%	58.0%	30.5%	28.0%	Retained to Com Eq	25.0%
--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

CURRENT POSITION

	2006	2007	1/30/09
Cash Assets	10298	7972	9092
Receivables	4622	5961	4731
Inventory (FIFO)	660	1180	867
Other	4359	4767	5461
Current Assets	19939	19880	20151
Accts Payable	10430	11492	8309
Debt Due	188	225	113
Other	7173	6809	6437
Current Liab.	17791	18526	14859

BUSINESS: Dell Inc. is a leading global computer systems and services company. Markets via sales teams to corporate & institutional customers, and via the telephone and Internet. Sales mix: Americas Commercial, 47% of total; Europe/Mideast/Africa Comm., 22%; Asia/Pacific Comm., 12%; Global consumer, 19%. Products: desktop, 29%; mobility, 31%; software & peripherals, 17%; servers & networking, 10%; services, 9%; storage, 4%. R&D, 1.1% of '08 sales. '08 deprec. rate: 17.1%. About 78,900 empl. on 1/30/09. Michael Dell owns 10.22% of stock; all officers & directors, 11.74%; Southeastern Asset Mgt., 5.3% (6/08 Proxy). Chairman & CEO: Michael S. Dell. Inc.: DE. Address: One Dell Way, Round Rock, TX 78682. Tel.: 512-338-4400. Internet: www.dell.com.

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '06-'08 of change (per sh) to '12-'14

Sales	19.5%	15.5%	5.0%
"Cash Flow"	15.0%	11.0%	7.0%
Earnings	13.5%	8.5%	6.5%
Dividends	--	--	Nil
Book Value	13.0%	-5%	24.0%

The decline in Dell's sales, which began in the October interim, accelerated in the final period of fiscal 2008 (which ended on January 30, 2009). The weakness was most apparent in the Americas commercial division, which generates nearly half of Dell's top line. Small and mid-sized businesses in the U.S. continued to defer purchases of computer hardware and services. Seasonal demand probably played a role in the 4% sequential-period increase in Dell's global consumer sales (about a fifth of the total), but consumer sales fell 7% year to year.

The trend may continue for a couple of quarters. Companies stateside have been aggressively trimming their workforces, reducing the need for new computer hardware. Dell continues to bring out new products, and has expanded sales to consumers via retailers (in contrast to its traditional reliance on direct sales). Next fiscal year, we look for only limited top-line improvement, since the computer industry typically lags economic trends.

Fiscal Year Begins

Year	Apr.Per	Jul.Per	Oct.Per	Jan.Per	Full Fiscal Year
2006	14320	14211	14419	14470	57420
2007	14722	14776	15646	15989	61133
2008	16077	16434	15162	13428	61101
2009	12700	12200	12400	12700	50000
2010	12900	13100	13300	13700	53000

The company has increased its annual expense-reduction goal, from \$3 billion to \$4 billion, to be achieved by the end of

next fiscal year. Its use of contract manufacturers, which currently account for about 25% of Dell's volume, may grow. **But Dell probably began the current fiscal year on a weak note.** In the January period of the year just ended, stock-based compensation expense and organizational improvement costs together reduced share net by \$0.11. Management expects these items to have a similar negative effect on earnings in this fiscal year's April quarter. Moreover, until sales stabilize, Dell probably will continue to lose operating leverage, which might offset some of the near-term expense-reduction progress. We look for share net to decline about 30% this fiscal year, and don't expect Dell to regain all of the lost ground next year. **Dell shares have better-than-average recovery potential to 2012-2014.** The company's markets will eventually turn around, and Dell's strong cash position should support acquisitions that further diversify the sales mix. With Dell's near-term performance likely to remain weak, however, investors may want to defer commitments to the untimely stock.

Theresa Brophy
 April 10, 2009

(A) Fiscal years end about Jan. 31st of following calendar year.	'96, \$0.01; '99, \$0.07; '00, \$0.03; '01, \$0.19; '04, \$0.11; '05, \$0.14. Quarterly earnings per share do not equal total in '06, '07 & '08 due to decline in shares outstanding. Next earnings report due late May.	Company's Financial Strength	A
(B) Primary eqs. until 5/1/94; dil. eqs. thereafter. Excl. nonrecurring charge: '95, \$0.01;	(C) In millions, adjusted for stock splits.	Stock's Price Stability	70
(D) Excludes depreciation expense.		Price Growth Persistence	10
		Earnings Predictability	75