

The Merriam Report **DELL** 1/29/10 **DELL INC**

All amounts in millions except for earnings per share

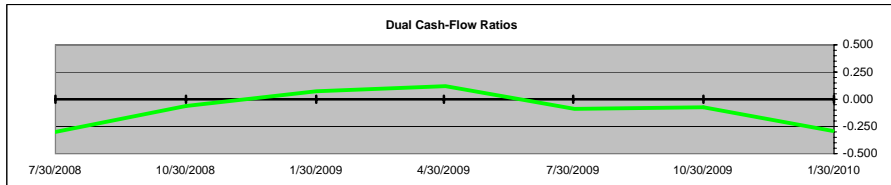
Quarterly period ending:	2	3	4	1	2	3	4	Averages
	7/30/2008	10/30/2008	1/30/2009	5/1/2009	7/31/2009	10/30/2009	1/29/2010	\$ 0.229
Earnings Per Share (Incl. Ext. Items)	\$ 0.310	\$ 0.370	\$ 0.190	\$ 0.150	\$ 0.24000	\$ 0.170	\$ 0.170	\$ 0.229
% Change in E.P.S. (from prev. qtr.)		19.4%	-48.6%	-21.1%	60.0%	-29.2%	0.0%	-3.3%
Total Revenues	1643400.0	1516200.0	1342800.0	1234200.0	1276400.0	1289600.0	1490000.0	1398942.9
% Change in Revenues (from prev. qtr.)		-7.7%	-11.4%	-8.1%	3.4%	1.0%	15.5%	-1.2%
Cost of Revenues	1360700.0	12309000.0	11116000.0	10174000.0	10373000.0	10663000.0	12431000.0	9775242.9
Accounts Receivable:	808000.0	705800.0	644300.0	605300.0	765500.0	759700.0	854300.0	734700.0
% Change in Receivables (from prev. qtr.)		-12.6%	-8.7%	-6.1%	26.5%	-0.8%	12.5%	1.8%
DSO's (# of days it took customers to pay)	44.7	42.4	43.7	44.6	54.6	53.6	52.2	48.0
Inventories:	110400.0	110900.0	86700.0	84200.0	83900.0	95200.0	105100.0	96628.6
% Change in Inventory (from prev. qtr.)		0.5%	-21.8%	-2.9%	-0.4%	13.5%	10.4%	-0.1%
Inventory as a % of Sales	6.7%	7.3%	6.5%	6.8%	6.6%	7.4%	7.1%	6.90%
Prepaid Expenses:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
Other Current Assets:	355900.0	479500.0	374900.0	289000.0	334800.0	319600.0	364300.0	359714.3
Property, Plant & Equip. (net):	258800.0	245800.0	227700.0	218100.0	211700.0	197800.0	218100.0	225428.6
% Change in P,P& E (from prev. qtr.)		-5.0%	-7.4%	-4.2%	-2.9%	-2.9%	10.3%	-2.6%
Accounts Payable:	1121500.0	947500.0	830900.0	784400.0	969800.0	994700.0	1137300.0	969442.9
% Change in Payables (from prev. qtr.)		-15.5%	-12.3%	-5.6%	23.6%	2.6%	14.3%	1.2%
Quarterly period ending:	7/30/2008	10/30/2008	1/30/2009	5/1/2009	7/31/2009	10/30/2009	1/29/2010	
Total Liabilities:	2558400.0	2365800.0	2222900.0	2195900.0	2543300.0	2600000.0	2801100.0	2469628.6
Shareholder equity:	282300.0	415900.0	427100.0	423000.0	462500.0	502500.0	564100.0	439628.6
Retained Earnings (Accum. Deficit)	1959900.0	2032600.0	2067700.0	2096700.0	2143900.0	2177600.0	2177600.0	2098485.7
Operating Cash Flow (OCF)	2066863.1	2274164.3	2321068.0	2345469.8	2431570.4	2505270.7	2367667.7	2330296.4
OCF as % of Revenues	125.8%	150.0%	172.9%	190.0%	190.5%	194.3%	158.9%	168.90%
Balance Sheet Cash Flow (BSCF)	2558171.5	2365586.7	2222715.0	2195732.1	2543093.0	2599792.6	2800864.4	2469422.2
BSCF as % of Revenues	155.7%	156.0%	165.5%	177.9%	199.2%	201.6%	188.0%	177.70%
Spread between OCF & BSCF	-491308.4	-91422.4	98353.6	149737.6	-111522.6	-94521.9	-433196.7	-139125.8
Ratios								
Spread to Revenues	-29.90%	-6.03%	7.32%	12.13%	-8.74%	-7.33%	-29.07%	-0.088
Spread to OCF								-230.33%
MR Dual Cash-Flow Figure	-0.299	-0.060	0.073	0.121	-0.087	-0.073	-0.291	

The Merriam Report

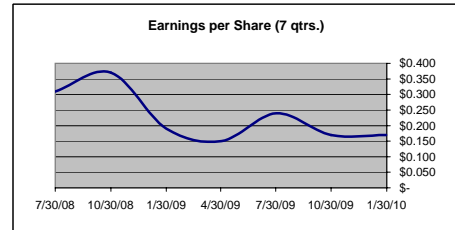
Quarterly period ending:	7/30/08	10/30/08	1/30/09	5/1/09	7/31/09	10/30/09	1/29/10
MR Dual Cash-Flow Figure	-0.299	-0.060	0.073	0.121	-0.087	-0.073	-0.291

Merriam Report Signals:

- Recent Bearish
- Confirmed Bearish**
- Recent Bullish
- Confirmed Bullish



MR Dual Cash-Flow Figure (avg.)	07/30/08	10/30/08	01/30/09	05/01/09	07/31/09	10/30/09	01/29/10
	-0.088						
P/E	17.95	8.78	7.6	11.73	14.23	19.53	17.67
P/S	0.76	0.38	0.31	0.4	0.49	0.55	0.48
P/FCF	17.3341	13.5195	12.9759	10.9419	12.3411	9.2266	7.1517
PEG	2.4929	2.3171	-1.6593	-0.48	-0.4891	-0.4315	-0.4248



Accrual Ratios
Average Accruals

	7/30/08	10/30/08	1/30/09	5/1/09	7/31/09	10/30/09	1/29/10
	-3.88%	3.70%	-0.73%	-2.30%	-1.71%	-1.01%	8.21%
		0.33%					

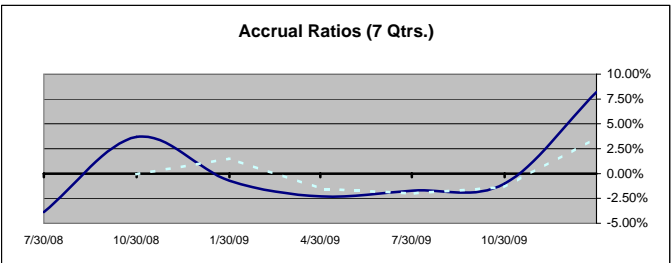
Revenue Metrics (as % of Sales)

	Recent Qtr.	Combined Avg.
Research & Development	1.20%	1.16%
Cost of Sales	83.43%	82.38%
S/G/A	11.95%	11.90%
Payables	76.33%	69.30%

Capital Productivity

	Recent Qtr.	Combined Avg.
Inventory / Revenues	\$ 0.071	\$ 0.069
Receivables / Revenues	\$ 0.573	\$ 0.525
Inventory & Receivables / Revenues	\$ 0.644	\$ 0.594
P,P&E / Revenues	\$ 0.146	\$ 0.161

Accrual Ratios (7 Qtrs.)



Accrual Ratios: According to the MR model, a ratio of -5 or less is very bullish and a ratio of +5 or more is very bearish.

-1.05% -0.04%

Summary of Merriam Report Signals

Dual Cash-Flow Figures

Recent Bearish

Confirmed Bearish

Operating Cash-Flow Trend
Balance Sheet Cash-Flow Trend

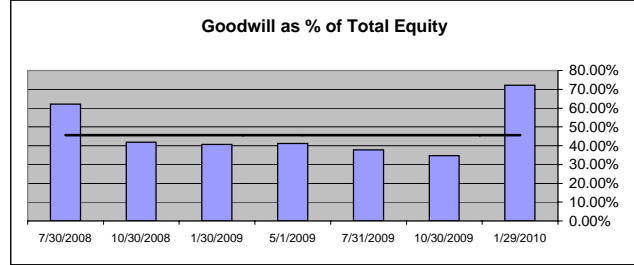
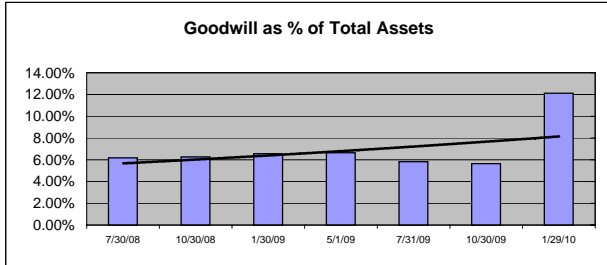
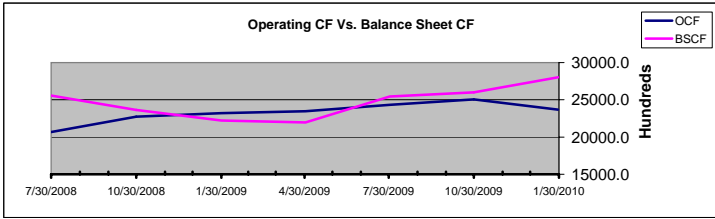
Slight Det.
Slight Det.

OCF
BSCF

	7/30/08	10/30/08	1/30/09	5/1/09	7/31/09	10/30/09	1/29/10
OCF	2066863.1	2274164.3	2321068.6	2345469.8	2431570.4	2505270.7	2367667.7
BSCF	2558171.5	2365586.7	2222715.0	2195732.1	2543093.0	2599792.6	2800864.4

Comparison of Recent Quarter Changes to Average

EPS **Bearish**
Revenues **Bullish**
Accounts Receivable **Bullish**
Days Sales Outstanding **Bearish**
Inventory **Bearish**
Accounts Payable **Bearish**
Accrual Ratios **Bearish**



Dual Cash Flow Trend	-2		
Financial Ratios (conventional)	3		
Balance Sheet and Income Statement	-10		
Accrual Ratios	-1.5		
Revenue Metrics and Capital Productivity	-4		
Goodwill Trends	-2	\$ (2.64)	\$ 10.26
Merriam Report Score	-16.5	25.75%	

DELL INC
Ending Period Share Price **12.9**
Estimated Fair Value **\$ 10.26**
End Price to Est. FV **25.75%**