

DELL INC
Form 11-K
June 21, 2011

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 11-K**

(Mark One)

**ANNUAL REPORT PURSUANT TO SECTION 15(D) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the fiscal year ended December 31, 2010

OR

**TRANSITION REPORT PURSUANT TO SECTION 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the transition period from _____ to _____.

Commission file number: 000-17017

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

DELL INC. 401(k) PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

DELL INC.

ONE DELL WAY

ROUND ROCK, TEXAS 78682

**DELL INC. 401(k) PLAN
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| NOTE: Other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable. | |

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Report of Independent Registered Public Accounting Firm

To the Participants and Benefits Administration Committee of the Dell Inc. 401(k) Plan:

In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Dell Inc. 401(k) Plan (the Plan) as of December 31, 2010 and 2009, and the changes in net assets available for benefits for the year ended December 31, 2010 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule H, Part IV, Line 4i Schedule of Assets (Held at End of Year) as of December 31, 2010 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP

Austin, Texas

June 21, 2011

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**DELL INC. 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2010 AND 2009**

| <i>(in thousands)</i> | 2010 | 2009 |
|--|--------------|--------------|
| ASSETS: | | |
| Investments: | | |
| Mutual funds | \$ 1,366,100 | \$ 838,804 |
| Separately managed funds | 730,514 | 462,413 |
| Stable value fund | 328,857 | 219,013 |
| Dell Stock Fund | 122,859 | 147,020 |
| Common collective trust | 284,819 | 116,516 |
| Short-term investment funds | 13,081 | 2,001 |
| | | |
| Total investments | 2,846,230 | 1,785,767 |
| Receivables: | | |
| Participant loans | 69,862 | 56,076 |
| Employer contributions | 9,785 | 6,576 |
| Interest income | 669 | 498 |
| Due from broker unsettled trades | 343 | 1,029 |
| | | |
| Total receivables | 80,659 | 64,179 |
| | | |
| Total assets | 2,926,889 | 1,849,946 |
| | | |
| LIABILITIES: | | |
| Administrative expenses payable | 1,959 | 963 |
| Due to broker | 205 | 54 |
| | | |
| Total liabilities | 2,164 | 1,017 |
| | | |
| NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE | 2,924,725 | 1,848,929 |
| | | |
| ADJUSTMENT FROM FAIR VALUE TO CONTRACT VALUE FOR FULLY BENEFIT-RESPONSIVE STABLE VALUE FUND | (400) | 4,493 |
| | | |
| NET ASSETS AVAILABLE FOR BENEFITS | \$ 2,924,325 | \$ 1,853,422 |

The accompanying notes are an integral part of these financial statements.

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Table of Contents**DELL INC. 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2010***(in thousands)***ADDITIONS:****Contributions:**

| | |
|--------------------|------------|
| Employee | \$ 208,834 |
| Employer | 130,854 |
| Employee rollovers | 12,530 |

| | |
|---------------------|---------|
| Total contributions | 352,218 |
|---------------------|---------|

Investment income:

| | |
|---|---------|
| Interest and dividends | 43,338 |
| Net appreciation in fair value of investments | 167,012 |

| | |
|-------------------------|---------|
| Total investment income | 210,350 |
|-------------------------|---------|

| | |
|-------------------------------|-------|
| Interest on participant loans | 2,928 |
|-------------------------------|-------|

| | |
|-----------------|---------|
| Total additions | 565,496 |
|-----------------|---------|

DEDUCTIONS:

| | |
|-------------------------------|---------|
| Benefits paid to participants | 150,993 |
| Administrative expenses | 3,515 |

| | |
|------------------|---------|
| Total deductions | 154,508 |
|------------------|---------|

| | |
|------------------------|---------|
| INCREASE IN NET ASSETS | 410,988 |
|------------------------|---------|

| | |
|---|---------|
| TRANSFER FROM PEROT SYSTEMS CORPORATION RETIREMENT SAVINGS PLAN | 659,915 |
|---|---------|

NET ASSETS AVAILABLE FOR BENEFITS:

| | |
|-------------------|-----------|
| Beginning of year | 1,853,422 |
|-------------------|-----------|

| | |
|-------------|--------------|
| End of year | \$ 2,924,325 |
|-------------|--------------|

The accompanying notes are an integral part of these financial statements.

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DELL INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2010 AND 2009, AND FOR THE YEAR ENDED DECEMBER 31, 2010

1. DESCRIPTION OF THE PLAN

The following brief description of the Dell Inc. 401(k) Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan s provisions.

General Dell Inc. (the Company or Employer) originally adopted the Plan on June 1, 1989, and subsequently amended and restated the Plan effective January 1, 2007, and January 1, 2009. The Benefits Administration Committee of the Company (BAC) controls and manages the operation and administration of the Plan. Effective January 1, 2010, The Bank of New York Mellon (the Plan Trustee) replaced JP Morgan Chase Bank, N.A. (the Prior Trustee) as the Plan s Trustee.

The Plan is a defined contribution plan covering all U.S. resident employees of the Company who are not covered by a collective bargaining agreement. Participation in the Plan is at the election of the employee. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

In 2006, the Company acquired Alienware Corporation (Alienware), and the Alienware employees became eligible to participate in the Plan on August 3, 2009. The BAC approved the assets of the Alienware Corporation Profit Sharing Plan & Trust to be merged into the Plan, with the transfer of participant accounts expected to occur by the end of 2011.

Dell acquired Perot Systems on November 3, 2009. As of January 1, 2010, the Perot Systems employees are eligible to participate in the Plan. The BAC approved the assets of the Perot Systems Corporation Retirement Savings Plan to be merged into the Plan. Participant account balances of \$659,915,000 were transferred into the Plan on December 10, 2010.

Participant Contributions Contributions are made to the Plan by the Company on behalf of each eligible participant based upon the participant s elected compensation deferral through payroll deductions. The deferrals are funded by the Company at the end of each payroll period. The amount eligible participants may elect to contribute to the Plan ranges from 1% to 50% of their eligible compensation, in whole percentages, up to the annual statutory limit of \$16,500 as permitted by the Internal Revenue Code of 1986, as amended (IRC). Highly compensated employees, as defined by the IRC, may be subject to more restrictive maximum annual contribution limits if the Plan fails to satisfy certain testing criteria set forth in the IRC. The Plan relies on the safe harbor rules of Section 401(k)(12) of the IRC in order to satisfy the nondiscrimination testing requirements. Participants age 50 or over may elect to contribute an additional \$5,500 (catch-up contributions) over the base statutory limit in accordance with the Economic Growth and Tax Relief Reconciliation Act of 2001.

Effective April 1, 2010, the Company elected to impose a 20% cap on the percentage of future contributions a participant can invest in the Dell Stock Fund investment option. In conjunction with the contribution restriction, participants are no longer permitted to make an elective transfer or balance that will increase their position in the Dell Stock Fund above 20% of their total account balance. In addition, there is a 14 day trading restriction that prevents participants from reallocating or transferring money back into the Dell Stock Fund for 14 days from the date of the last transfer out of the Dell Stock Fund.

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The Plan also permits employees to contribute balances from other qualified plans (rollover contributions).

Employer Contributions For 2010, the Company matched 100% of the first 5% of eligible compensation that each participant contributed to the Plan. The Company s matching contributions were made at the end of each payroll period. Additional discretionary Employer contributions may be made upon the approval of the Company s Board of Directors. The Company made no additional discretionary contributions for the year ended December 31, 2010. All of the Company s contributions are invested at the participant s discretion among the fund elections. Neither participant, Company matching, nor discretionary contributions, if any, are required to be invested in the Dell Stock Fund.

Participant Accounts Each participant s account is credited with the participant s contributions, allocations of Company matching and discretionary contributions, and Plan earnings or losses offset by withdrawals and Plan administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant s vested account.

Vesting Participants are immediately vested in their contributions and earnings thereon. All participants are also immediately vested in all Employer contributions and earnings thereon. Participants employed with the Company as of January 1, 2005, who were not re-hired in the subsequent 5 year period ended December 31, 2009, became fully vested in all Employer contributions and earnings thereon. Participants that terminated employment with the Company prior to January 1, 2005, forfeited unvested amounts to the Plan.

Forfeitures Company contributions forfeited by unvested terminated participants may be used by the Company to satisfy Plan administrative expenses or to reduce future Company contributions. During 2010, \$431,871 in forfeitures were used to reduce Company contributions. There were no unallocated forfeited non-vested accounts at December 31, 2010 and 2009.

Benefit Payments Participants are entitled to receive a distribution of the vested portion of their account upon reaching age 59^{1/2}, termination of employment, disability, death, or in the event of financial hardship. A participant who has separated from service may defer benefit payments until reaching age 65, provided his or her vested account balance is greater than \$5,000; otherwise, in the event of a distribution greater than \$1,000 but less than \$5,000, the participant may elect either a direct rollover to an individual retirement account (IRA) or another qualified plan or a lump-sum amount equal to the value of the vested portion of his or her account upon termination of service. If an employee fails to make an election of one of these options within 90 days of the termination date, his or her vested account balance will automatically be directed to a rollover IRA. Similarly, participants with a vested account balance of less than \$1,000 may elect either of the options noted above. If an election is not made within 90 days of the termination date, the balance will be distributed to the participant in a lump sum. Payment of benefits prior to termination of service may be made under certain circumstances as defined by the Plan.

Administration and Plan Expenses Plan assets are held in trust by the Plan Trustee. The Plan s third-party recordkeeper is Aon Hewitt. Administrative expenses are primarily paid by the participants of the Plan and are allocated to participant accounts ratably based on their respective balances.

Investments All investments are participant directed. The Plan is invested in mutual funds, a common collective trust, separately managed funds, the Dwight Stable Value Fund (the Dwight Fund), and the Dell Stock Fund. The following investments represent separately managed funds which are comprised of investments in common stocks, mutual funds and cash equivalents: Dell Inc. 401(k) Dodge & Cox Large Cap Fund, Dell Inc. 401(k) Dodge & Cox Balanced Fund, and Dell Inc. 401(k)

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Times Square Small/Mid Cap Growth Fund. These separately managed funds and the Dwight Fund collectively are the Plan's core funds (the Core Funds). The Plan invests in all investments on a unitized basis.

In addition to the Core Funds, participants may elect to contribute to funds that invest in a mix of the Core Funds based on target retirement dates (Pre-Mixed Portfolios). The Pre-Mixed Portfolios provide for diversification of investments based on the participants' expected retirement dates.

The American Growth Fund and American Euro Pacific Growth Fund contain a trading restriction that requires shareholders who sell more than \$5,000 from either fund to wait at least 30 days before repurchasing into the fund. The restriction applies to transfers and reallocations of current account balances. The restriction does not apply to sales/purchases of \$5,000 or less, rollovers, and retirement plan contributions and distributions. The restriction also excludes activity in any of the Pre-Mixed Portfolios that contain either the American Growth Fund or the American Euro Pacific Growth Fund.

Participant Loans Participants may take out a maximum loan amount equal to the lesser of (i) \$50,000 less the highest outstanding loan balance during the past 12 months or (ii) 50% of the available vested portion of their account balance less any current outstanding loan balance (minimum loan amount of \$500). Each participant's loan is collateralized by the participant's vested account balance and is charged an interest rate equal to the prime rate on the date of loan origination plus 1.0% and a one-time fee of \$75. Loan repayment period cannot exceed four and a half years except when the proceeds of the loan are used to acquire the participant's primary residence, when the repayment period cannot exceed 20 years. At December 31, 2010, loans bore interest at rates ranging between 4.25% and 10.50% and are due at various dates through August 25, 2031.

Plan Termination Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, Plan assets will be distributed in accordance with the Plan document.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates The preparation of financial statements in conformity with GAAP requires the use of management estimates. These estimates are subjective in nature and involve assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of investment income and deductions during the fiscal year. Actual results could differ from those estimates.

Changes in the Valuation Technique Used to Measure Similar Assets in Prior Periods In accordance with recent Financial Accounting Standards Board (FASB) guidance, the valuation of participant loans as of December 31, 2010, consists of outstanding principal and related accrued interest. The prior year balance is valued using a discounted cash flow model. The impact of the change in valuation technique is insignificant to the participant loan balance. See Note 1 for additional information regarding participant loans.

Risks and Uncertainties The Plan provides for various investments in common stock, short-term investments, mutual funds, a common collective trust, separately managed funds, and the Dwight Fund. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to

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the level of risk associated with certain investment securities, and the recent volatility in the financial markets, it is at least reasonably possible that changes will continue to occur in the near term that could materially affect participants account balances and the amounts reported in the statements of net assets available for benefits.

Contributions Participant and Employer contributions are recorded in the period the Employer makes the payroll deduction or upon approval by the Company for discretionary Employer contributions, if any.

Investment Valuation and Income Recognition The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments in shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year end. The investment in the common collective trust and separately managed funds are stated at estimated fair value based on the fair value of the underlying investments and is allocated to participant accounts based on the unit value of the fund.

The Dwight Fund is a stable value fund that is considered to be a separate account consisting of cash and fixed income investment funds wrapped with insurance contracts. The fair value of the Dwight Fund is based on the fair value of its underlying investments then adjusted by the issuer to contract value (see Note 3). Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. Contract value represents contributions made to the fund, plus earnings, less participant withdrawals.

The Plan presents, in the Statement of Changes in Net Assets Available for Benefits, the net appreciation (depreciation) in the fair value of investments, which consists of realized gains and losses and the unrealized appreciation (depreciation) on those investments.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Unit Values Individual participant accounts invested in the common collective trust, separately managed funds, and mutual funds are maintained on a unit value basis. Participants do not have beneficial ownership in specific underlying securities or other assets in the mutual funds, common collective trust, or the separately managed funds, but have an interest therein represented by units valued as of the last business day of the period. The mutual funds, common collective trust, and the separately managed funds earn dividends and interest, which are automatically reinvested in additional units. Generally, contributions to and withdrawal payments from the mutual funds, common collective trust, and the separately managed funds are converted to units by dividing the amounts of such transactions by the unit values as last determined, and the participants' accounts are charged or credited with the number of units properly attributable to each participant.

Contract Value The Dwight Fund is considered to be a stable value fund and is therefore required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to direct or indirect investment in fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. As required by the applicable accounting guidance on the Reporting of Fully Benefit-Responsive Investment Contracts, the statement of net assets available for benefits presents the Dwight Fund at fair value, and an additional line item is presented representing the adjustment from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

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Payment of Benefits Benefits are recorded when paid.

Accounting Pronouncements The FASB is the authoritative body for financial accounting and reporting in the United States. The following is a list of recent pronouncements issued by the FASB:

In January 2010, the FASB issued guidance adding new disclosure requirements for Levels 1 and 2 fair value measures, separate disclosures of purchases, sales, issuances, and settlements relating to Level 3 measurements and clarification of existing fair value disclosures. The guidance is effective for periods beginning after December 15, 2009, except for the requirement to provide Level 3 activity of purchases, sales, issuances, and settlements on a gross basis, which is effective for fiscal years beginning after December 15, 2010. As this new guidance provides only disclosure requirements, its adoption did not have any effect on the Plan's reported net assets or changes in net assets. In September 2010, the FASB issued guidance that requires participant loans be classified as receivables from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. Participant loans are exempt from the disclosure requirements surrounding fair value and credit quality. The Plan adopted these requirements as of December 31, 2010 and, as required, reclassified loans on the statement of net assets as of December 31, 2009, and excluded the loans from investments as of December 31, 2009, in Note 3.

Table of Contents**3. FAIR VALUE MEASUREMENTS**

The following tables set forth by level within the fair value hierarchy a summary of the Plan's investments measured at fair value on a recurring basis at December 31, 2010 and 2009:

| | Level 1 Quoted Prices in Active Markets for Identical Assets | December 31, 2010 | | Total |
|---|---|---|--|------------|
| | | Level 2 Significant Other Observable Inputs | Level 3 Significant Unobservable Inputs | |
| | | (in thousands) | | |
| Mutual funds: | | | | |
| Fixed income funds | \$ | \$ 345,558 | \$ | \$ 345,558 |
| Domestic equity funds | | 517,658 | | 517,658 |
| International equity funds | | 502,884 | | 502,884 |
| Total mutual funds | | 1,366,100 | | 1,366,100 |
| Separately managed funds: | | | | |
| Mutual funds – fixed income | | 84,844 | | 84,844 |
| Short-term investment funds | 36,938 | | | 36,938 |
| Common stock: | | | | |
| Consumer discretionary | 99,387 | | | 99,387 |
| Energy | 61,576 | | | 61,576 |
| Financial services | 101,758 | | | 101,758 |
| Health care | 110,203 | | | 110,203 |
| Materials & processing | 46,200 | | | 46,200 |
| Producer durables | 30,885 | | | 30,885 |
| Technology | 130,345 | | | 130,345 |
| Other | 28,378 | | | 28,378 |
| Total common stock | 608,732 | | | 608,732 |
| Total separately managed funds | 645,670 | 84,844 | | 730,514 |
| Stable value fund: | | | | |
| Fixed income funds | | 291,192 | | 291,192 |
| Short-term investment funds | 37,178 | | | 37,178 |
| Synthetic contract wrappers | | 487 | | 487 |
| Total stable value fund | 37,178 | 291,679 | | 328,857 |
| Dell Stock Fund | 122,859 | | | 122,859 |
| Domestic equity common collective trust | | 284,819 | | 284,819 |
| Short-term investment funds | 13,081 | | | 13,081 |

| | | | | |
|-------------------------------------|------------|--------------|----|--------------|
| Total assets measured at fair value | \$ 818,788 | \$ 2,027,442 | \$ | \$ 2,846,230 |
|-------------------------------------|------------|--------------|----|--------------|

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| | Level 1 Quoted Prices in Active Markets for Identical Assets | December 31, 2009 | | Total |
|---|---|---|--|--------------|
| | | Level 2 Significant Other Observable Inputs (in thousands) | Level 3 Significant Unobservable Inputs | |
| Mutual funds: | | | | |
| Fixed income funds | \$ | \$ 216,840 | \$ | \$ 216,840 |
| Domestic equity funds | | 290,859 | | 290,859 |
| International equity funds | | 331,105 | | 331,105 |
| Total mutual funds | | 838,804 | | 838,804 |
| Separately managed funds: | | | | |
| Mutual funds fixed income | | 62,897 | | 62,897 |
| Short-term investment funds | 18,710 | | | 18,710 |
| Common stock: | | | | |
| Consumer discretionary | 61,445 | | | 61,445 |
| Energy | 36,611 | | | 36,611 |
| Financial services | 52,112 | | | 52,112 |
| Health care | 82,033 | | | 82,033 |
| Materials & processing | 36,145 | | | 36,145 |
| Producer durables | 15,620 | | | 15,620 |
| Technology | 82,776 | | | 82,776 |
| Other | 14,064 | | | 14,064 |
| Total common stock | 380,806 | | | 380,806 |
| Total separately managed funds | 399,516 | 62,897 | | 462,413 |
| Stable value fund: | | | | |
| Fixed income funds | | 204,880 | | 204,880 |
| Short-term investment funds | 13,756 | | | 13,756 |
| Synthetic contract wrappers | | 377 | | 377 |
| Total stable value fund | 13,756 | 205,257 | | 219,013 |
| Dell Stock Fund | 147,020 | | | 147,020 |
| Domestic equity common collective trust | | 116,516 | | 116,516 |
| Short-term investment funds | 2,001 | | | 2,001 |
| Total assets measured at fair value | \$ 562,293 | \$ 1,223,474 | \$ | \$ 1,785,767 |

The valuation methods described in Note 2 may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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The following is a description of valuation methodologies used for the fair value measurements of investments:

| | |
|-----------------------------|---|
| Mutual funds | Consists of registered investment companies investments valued at their net asset value, which can be market corroborated. |
| Separately managed funds | Consists of various common stocks and mutual funds. The values of the separately managed funds may be market corroborated as their underlying investments are the following: stocks, Level 1, are valued at the closing price reported on the active market on which the security is traded; and mutual funds, Level 2, are valued at their net asset value, which can be market corroborated. |
| Stable value fund | Consists of cash and fixed income investment funds wrapped with insurance contracts. The fixed income investment funds are valued at their net asset value, and the fair value of the wrapped insurance contracts is determined using a discounted cash flow model with inputs derived from observable market data. The valuation of the wrapped insurance contracts is not significant to the overall valuation of the Fund. There are no redemption restrictions on the Plan's investment in the Stable Value Fund. |
| Dell Stock Fund | Dell stock is valued at the closing price reported on the active market. |
| Common collective trust | The Plan's investment in common collective trusts primarily consists of the BlackRock Equity Index Fund which is valued by the issuer of the fund and can be market corroborated. The BlackRock Equity Index Fund seeks to match the performance of the S&P 500 Index and there are no redemption restrictions on the Plan's investment in this fund. |
| Short-term investment funds | Consists of money market funds that are valued at fair value, which approximates cost. The valuations of these securities are based on quoted prices in active markets for identical assets. |

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The following table presents investments that represent 5% or more of the Plan's net assets as of December 31, 2010 and/or 2009:

| | 2010 | 2009 |
|---|----------------|-------------|
| | (in thousands) | |
| Mutual funds: | | |
| American Euro Pacific Growth Fund | \$397,760 | \$256,038 |
| PIMCO Total Return Fund | 345,558 | 216,840 |
| American Growth Fund | 283,096 | 143,882 |
| Neuberger Berman Genesis Fund | 234,562 | 146,977 |
| Separately managed funds: | | |
| Dell Inc. 401(k) Dodge & Cox Large Cap Value Fund | 270,250 | 175,151 |
| Dell Inc. 401(k) Dodge & Cox Balanced Fund | 262,407 | 194,836 |
| Dell Inc. 401(k) Times Square Small/Mid Cap Growth Fund | 197,857 | 92,427* |
| Dwight Stable Value Fund | 328,857 | 219,013 |
| ** Dell Stock Fund | 122,859* | 147,020 |
| Common collective trust: | | |
| BlackRock Equity Index Fund | 284,819 | 116,516 |

* Amount is less than 5% as of December 31 but is presented for comparative purposes

**** Party-in-interest**

At December 31, 2010 and 2009, the Plan owned 9,067,076 and 10,238,164 shares, respectively, of the Dell Stock Fund valued at \$122,858,880 and \$147,020,035 respectively. This represents approximately 4% and 8% of the Plan's investments at December 31, 2010 and 2009, respectively. During 2010, 1,128,530 shares were purchased and 2,299,618 shares were sold.

The changes in fair value during 2010 for the Plan's investments (including investments purchased, sold, as well as held during the year) are as follows:

| | 2010 |
|---|----------------|
| | (in thousands) |
| Mutual funds | \$ 84,728 |
| Separately managed funds - common stock | 66,008 |
| Stable value fund | 148 |
| Dell Stock Fund | (6,602) |
| Common collective trust | 22,730 |
| | |
| Total net change in fair value of investments | \$ 167,012 |

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The Dwight Fund is a self-managed stable value investment option. The Dwight Fund may invest in a variety of stable value products including guaranteed investment contracts (GICs) issued by insurance companies and other financial institutions, and other investment products (separate account contracts and synthetic GICs) with similar characteristics. The Dwight Fund did not hold any GIC contracts or any separate account contracts during the years ended December 31, 2010 and 2009.

A synthetic GIC (SIC), also known as a wrap contract, is an investment contract issued by an insurance company or other financial institution, backed by a portfolio of bonds or other fixed income assets that are owned by the Plan. These assets underlying the wrap contract are maintained by a third party custodian, separate from the contract issuer's general assets. The contracts are obligated to provide an interest rate not less than zero. SICs utilize the benefit responsive wrap contracts to provide market and cash flow risk protection to the Plan thus guaranteeing the value of the underlying investment for the life of the contract. This enables the Plan to realize a specific known value for the assets if it needs to liquidate them to make benefit payments. These contracts provide that realized and unrealized gains and losses on the underlying assets are not reflected immediately in the net assets of the Dwight Fund, but rather are amortized over the duration of the underlying assets or other agreed upon period through adjustments to the future interest crediting rates. The issuer guarantees that all qualified participant withdrawals will occur at contract value, which, subject to certain disclosures below, represents contributions made under the contract, plus earnings, less withdrawals made under the contract and administrative expenses.

The assets underlying the SICs in the Dwight Fund are comprised of cash equivalents, fixed income funds, and a wrap contract. There were no valuation reserves against the SICs at December 31, 2010 and 2009.

Crediting interest rates on the SICs are reset monthly based on yield to maturity and expected cash flow over the life of the related supporting assets. All contracts have a minimum guarantee on all rate resets of an interest rate of not less than zero percent.

The crediting interest rates for the SICs in the Dwight Fund as of December 31, 2010 and 2009, ranged from 0.79% to 2.36% and 1.24% to 2.98%, respectively. The aggregate average annual yield for the SICs in the Dwight Fund for the year ended December 31, 2010 was 1.91%. There are no restrictions on participant withdrawals from the Dwight Fund. Certain withdrawals which are not deemed to be participant initiated and not in compliance with the investment contracts' provisions, are subject to certain penalties.

Limitations on the Ability of the Dwight Fund to Transact at Contract Value:

Restrictions on the Plan Participant-initiated transactions are those transactions allowed by the Plan, including withdrawals for benefits, loans, or transfers to noncompeting funds within a plan, but excluding withdrawals that are deemed to be caused by the actions of the Company. The following employer-initiated events may limit the ability of the Dwight Fund to transact at contract value:

A failure of the Plan or its trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA

Any communication given to Plan participants designed to influence a participant not to invest in the Dwight Fund or to transfer assets out of the Dwight Fund

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Any transfer of assets from the Dwight Fund directly into a competing investment option

The establishment of a defined contribution plan that competes with the Plan for employee contributions

Complete or partial termination of the Plan or its merger with another plan

In the event the wrap contracts fail to perform as intended, the Dwight Fund's net asset value may decline if the market value of its assets declines. The Dwight Fund's ability to receive amounts due pursuant to these wrap contracts is dependent on the third-party issuer's ability to meet their financial obligations. The wrap issuer's ability to meet its contractual obligations under the wrap contracts may be affected by future economic and regulatory developments.

6. TAX STATUS

The Plan obtained its latest determination letter dated August 18, 2003, from the Internal Revenue Service (IRS) informing the Company that the Plan and related trust are designed in compliance with Section 401(a) of the IRC. The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. The Company believes that the related trust is exempt from federal income tax under Section 501(a) of the IRC. Therefore, the financial statements contain no provision for income taxes. The Plan filed for a new determination letter in December 2009, which is pending from the IRS.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

7. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

Prior to January 1, 2010, the Plan invested in a short-term investment fund offered by the Prior Trustee. These transactions qualified as exempt party-in-interest transactions. Administrative expenses on the statement of changes in net assets available for benefits include amounts paid to the Plan Trustee as well as to other exempt parties-in-interest. The Plan is a claimant in a class action matter with the Company that was settled during 2010. The Plan has hired an independent fiduciary to approve the calculations that were performed to determine how many shares of stock were held by the Plan at the measurement date. The number of shares will determine the settlement amount that the Plan will receive, which is not expected to be material to the Plan.

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8. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following table reconciles the net assets available for benefits at December 31 from the Plan's financial statements to Form 5500. The stable value fund is adjusted to contract value in the Plan's financial statements, but is shown on Form 5500 at fair value.

| | 2010 | 2009 |
|---|------------------|------------------|
| | (in thousands) | |
| Net assets available for benefits per the financial statements | \$ 2,924,325 | \$ 1,853,422 |
| Adjustment from contract value to fair value for fully benefit-responsive stable value fund | 400 | (4,493) |
| Net assets available for benefits per Form 5500 | \$ 2,924,725 | \$ 1,848,929 |

The following is a reconciliation of the Plan's increase in net assets available for benefits reported in the Plan financial statements for the year ended December 31, 2010, to the Plan's increase in net assets available for benefits reported in the Plan's Form 5500:

| | 2010 |
|---|----------------|
| | (in thousands) |
| Increase in net assets available for benefits per financial statements | \$ 410,988 |
| Add: Reversal of prior year adjustment from contract value to fair value for fully benefit-responsive stable value fund | 4,493 |
| Add: Current year adjustment from contract value to fair value for fully benefit-responsive stable value fund | 400 |
| Net income per Form 5500 | \$ 415,881 |

9. SUBSEQUENT EVENTS

Effective January 1, 2011 the Plan will allow participants to make Roth contributions. Additionally, effective January 1, 2011, the Plan added a common collective trust and four new mutual fund investment options which participants may elect to invest in. For the year ended December 31, 2010, subsequent events were evaluated through June 21, 2011, the date the financial statements were available to be issued.

* * * * *

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DELL INC. 401(k) PLAN
EIN 74-2487834, PLAN 001
FORM 5500, SCHEDULE H, PART IV, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2010
(In thousands)

| (a) (b) Identity of Issue | (c) Description | Number of shares | (d) Cost** | (e) Current Value |
|---|---------------------------------|---------------------|---------------|----------------------|
| Dell Inc. Common Stock | | | | |
| * Dell Stock Fund | Company Stock, \$0.01 par value | 9,067 | | \$ 122,859 |
| Short-Term Investment Fund: | | | | |
| Dreyfus Gov t Cash Mgmt Fund | Short-Term Investment | | | \$ 13,081 |
| Mutual Funds: | | | | |
| Neuberger Berman Genesis Fund | Registered Investment Fund | 5,104 | | \$ 234,562 |
| American Euro Pacific Growth Fund | Registered Investment Fund | 9,629 | | 397,760 |
| Dodge & Cox International Stock Fund | Registered Investment Fund | 2,944 | | 105,124 |
| PIMCO Total Return Fund | Registered Investment Fund | 31,759 | | 345,558 |
| American Growth Fund | Registered Investment Fund | 9,315 | | 283,096 |
| Total Mutual Funds | | | | \$ 1,366,100 |
| Separately Managed Funds: | | | | |
| Dell Inc. 401(k) Dodge & Cox Balanced Fund | | | | |
| DREYFUS GOV T CASH MGMT FUND | Short-Term Investment | | | \$ 10,811 |
| AEGON NV | Common Stock | 145 | | 889 |
| AMGEN INC | Common Stock | 77 | | 4,211 |
| AOL INC | Common Stock | 33 | | 779 |
| BAKER HUGHES INC | Common Stock | 54 | | 3,099 |
| BANK OF NEW YORK MELLON CORP | Common Stock | 124 | | 3,745 |
| BB&T CORP | Common Stock | 50 | | 1,315 |
| BMC SOFTWARE INC | Common Stock | 31 | | 1,461 |
| BOSTON SCIENTIFIC CORP | Common Stock | 262 | | 1,983 |
| CADENCE DESIGN SYSTEMS INC | Common Stock | 64 | | 526 |
| | Common Stock | 119 | | 5,065 |

| | | | |
|---|--------------|-------|--------|
| CAPITAL ONE FINANCIAL CORP | | | |
| CAREFUSION CORP | Common Stock | 50 | 1,279 |
| CARMAX INC | Common Stock | 30 | 966 |
| CEMEX S.A.B. DE C.V. ADR | Common Stock | 55 | 591 |
| CHARLES SCHWAB CORP/THE | Common Stock | 109 | 1,865 |
| CHEVRON CORP | Common Stock | 38 | 3,503 |
| COMCAST CORP | Common Stock | 286 | 6,288 |
| COMPUTER SCIENCES CORP | Common Stock | 33 | 1,652 |
| COMPUWARE CORP COM | Common Stock | 76 | 887 |
| COVIDIEN PLC SHS | Common Stock | 22 | 985 |
| CREDIT SUISSE GROUP ADR | Common Stock | 9 | 348 |
| DIAGEO PLC ADR | Common Stock | 11 | 780 |
| DIRECTV | Common Stock | 7 | 272 |
| DISH NETWORK CORP | Common Stock | 30 | 580 |
| DODGE & COX INCOME FUND COM NPV | Mutual Fund | 6,413 | 84,844 |
| DOMTAR CORP | Common Stock | 1 | 95 |
| DOW CHEMICAL CO | Common Stock | 98 | 3,346 |
| DUN & BRADSTREET CORP | Common Stock | 6 | 476 |
| EATON CORP | Common Stock | 2 | 193 |
| EBAY INC | Common Stock | 110 | 3,061 |
| ELECTRONIC ARTS INC | Common Stock | 117 | 1,916 |
| FEDEX CORP | Common Stock | 47 | 4,371 |
| GENERAL ELECTRIC CO. GENWORTH FINANCIAL INC | Common Stock | 303 | 5,542 |
| GILEAD SCIENCES INC | Common Stock | 48 | 627 |
| GLAXOSMITHKLINE PLC ADR | Common Stock | 12 | 417 |
| GOLDMAN SACHS GROUP INC/THE | Common Stock | 84 | 3,275 |
| | | 6 | 925 |

(Continued)

Table of Contents**DELL INC. 401(k) PLAN
EIN 74-2487834, PLAN 001****FORM 5500, SCHEDULE H, PART IV, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)****DECEMBER 31, 2010****(In thousands)**

| (a) (b) Identity of Issue | (c) Description | Number of shares | (d) Cost** | (e) Current Value |
|--|-----------------|------------------------|---------------|-------------------------|
| HEWLETT-PACKARD CO | Common Stock | 175 | | \$ 7,368 |
| HOME DEPOT INC | Common Stock | 76 | | 2,665 |
| HSBC HLDGS ADR | Common Stock | 16 | | 837 |
| INTERPUBLIC GROUP COMPANIES INC | Common Stock | 90 | | 956 |
| LEGG MASON INC | Common Stock | 20 | | 725 |
| LIBERTY GLOBAL INC COM STK SERIES C | Common Stock | 7 | | 241 |
| LIBERTY GLOBAL INC COM STK SERA | Common Stock | 7 | | 237 |
| LIBERTY MEDIA CORP | Common Stock | 103 | | 1,624 |
| LOEWS CORP COM | Common Stock | 17 | | 665 |
| MACY S INC | Common Stock | 8 | | 196 |
| MAXIM INTEGRATED PRODUCTS | Common Stock | 90 | | 2,126 |
| MCGRAW-HILL COS INC/THE | Common Stock | 14 | | 499 |
| MEDTRONIC INC | Common Stock | 26 | | 964 |
| MERCK & CO INC | Common Stock | 147 | | 5,297 |
| MOLEX INC CLASS A N.VTG | Common Stock | 7 | | 168 |
| MOLEX INC | Common Stock | 52 | | 974 |
| MOTOROLA INC | Common Stock | 482 | | 4,375 |
| NEWS CORP | Common Stock | 300 | | 4,365 |
| NOKIA CORP ADR | Common Stock | 105 | | 1,085 |
| NOVARTIS AG ADR | Common Stock | 67 | | 3,920 |
| OCCIDENTAL PETROLEUM CORP | Common Stock | 46 | | 4,513 |
| PANASONIC CORP ADR | Common Stock | 105 | | 1,478 |
| PFIZER INC | Common Stock | 250 | | 4,378 |
| PITNEY BOWES INC | Common Stock | 45 | | 1,088 |
| ROYAL DUTCH SRELL ADR | Common Stock | 12 | | 801 |
| SANOFI-AVENTIS ADR | Common Stock | 92 | | 2,964 |
| SCHLUMBERGER LTD | Common Stock | 68 | | 5,678 |
| SLM CORP | Common Stock | 50 | | 627 |
| SONY CORP ADR | Common Stock | 68 | | 2,439 |
| SPRINT NEXTEL CORP | Common Stock | 477 | | 2,019 |
| SUNTRUST BANKS INC | Common Stock | 28 | | 832 |
| SYMANTEC CORP | Common Stock | 155 | | 2,595 |
| SYNOPSIS INC | Common Stock | 47 | | 1,251 |
| | Common Stock | 100 | | 1,153 |

| | | | |
|-----------------------------------|--------------|-----|-------|
| TELEFONAKTIEBOLAGET LM ERICSSO | | | |
| TIME WARNER CABLE INC | Common Stock | 44 | 2,914 |
| TIME WARNER INC | Common Stock | 131 | 4,219 |
| TRAVELERS COS INC/THE | Common Stock | 26 | 1,432 |
| TYCO ELECTRONICS LTD | Common Stock | 48 | 1,716 |
| TYCO INTERNATIONAL LTD. | Common Stock | 29 | 1,201 |
| US BANCORP | Common Stock | 35 | 944 |
| VODAFONE GROUP SPON ADR | Common Stock | 106 | 2,788 |
| VULCAN MATERIALS CO | Common Stock | 18 | 776 |
| WALGREEN CO | Common Stock | 51 | 1,987 |
| WAL-MART STORES INC | Common Stock | 33 | 1,753 |
| WELLS FARGO & CO | Common Stock | 185 | 5,738 |
| XEROX CORP | Common Stock | 249 | 2,868 |

**Total Dodge & Cox Balanced
Fund**

\$ 262,407

Dodge & Cox Large Cap Value

| | | | |
|------------------------------|-----------------------|-----|-----------|
| Dreyfus Gov t Cash Mgmt Fund | Short-Term Investment | | \$ 14,750 |
| AEGON NV | Common Stock | 186 | 1,140 |
| AMGEN INC | Common Stock | 120 | 6,588 |
| AOL INC | Common Stock | 51 | 1,216 |
| BAKER HUGHES INC | Common Stock | 76 | 4,322 |

(Continued)

Table of Contents**DELL INC. 401(k) PLAN****EIN 74-2487834, PLAN 001****FORM 5500, SCHEDULE H, PART IV, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)****DECEMBER 31, 2010****(In thousands)**

| (a) | (b) Identity of Issue | (c) Description | Number of shares | (d) Cost** | (e) Current Value |
|-----|---|-----------------|------------------------|---------------|-------------------------|
| | Dell Inc. 401(k) Dodge & Cox Large Cap Value | | | | |
| | BANK OF NEW YORK MELLON CORP | Common Stock | 189 | | \$ 5,711 |
| | BB&T CORP COM | Common Stock | 60 | | 1,577 |
| | BMC SOFTWARE INC | Common Stock | 48 | | 2,263 |
| | BOSTON SCIENTIFIC CORP | Common Stock | 401 | | 3,032 |
| | CADENCE DESIGN SYSTEM S INC | Common Stock | 99 | | 814 |
| | CAPITAL ONE FINANCIAL CORP | Common Stock | 187 | | 7,954 |
| | CAREFUSION CORP | Common Stock | 66 | | 1,696 |
| | CARMAX INC COM | Common Stock | 38 | | 1,202 |
| | CEMEX S.A.B. DE C.V. ADR | Common Stock | 78 | | 840 |
| | CHARLES SCHWAB CORP/THE | Common Stock | 168 | | 2,866 |
| | CHEVRON CORP | Common Stock | 62 | | 5,619 |
| | COMCAST CORP | Common Stock | 447 | | 9,821 |
| | COMPUTER SCIENCES CORP | Common Stock | 46 | | 2,267 |
| | COMPUWARE CORP | Common Stock | 110 | | 1,284 |
| | COVIDIEN PLC SHS | Common Stock | 34 | | 1,543 |
| | CREDIT SUISSE GROUP ADR | Common Stock | 14 | | 562 |
| | DIAGEO ADR | Common Stock | 14 | | 1,041 |
| | DIRECTV COM | Common Stock | 8 | | 331 |
| | DISH NETWORK CORP | Common Stock | 47 | | 914 |
| | DOMTAR CORP | Common Stock | 4 | | 304 |
| | DOW CHEMICAL CO | Common Stock | 152 | | 5,179 |
| | DUN & BRADSTREET CORP | Common Stock | 10 | | 796 |
| | EATON CORP | Common Stock | 2 | | 193 |
| | EBAY INC | Common Stock | 171 | | 4,745 |
| | ELECTRONIC ARTS STK | Common Stock | 166 | | 2,719 |
| | FEDEX CORP | Common Stock | 71 | | 6,604 |
| | GENERAL ELECTRIC CO. | Common Stock | 475 | | 8,688 |
| | GENWORTH FINANCIAL INC | Common Stock | 66 | | 863 |
| | GILEAD SCIENCES INC | Common Stock | 20 | | 725 |
| | GLAXOSMITHKLINE ADR | Common Stock | 136 | | 5,334 |
| | GOLDMAN SACHS GROUP INC/THE | Common Stock | 9 | | 1,429 |
| | HEWLETT-PACKARD CO | Common Stock | 268 | | 11,283 |

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| | | | |
|------------------------------------|--------------|-----|-------|
| HOME DEPOT INC | Common Stock | 116 | 4,060 |
| HSBC HLDGS ADR | Common Stock | 30 | 1,528 |
| INTERPUBLIC GROUP COMPANIES INC | Common Stock | 125 | 1,332 |
| LEGG MASON INC | Common Stock | 35 | 1,251 |
| LIBERTY GLOBAL INC SERIES C | Common Stock | 9 | 301 |
| LIBERTY GLOBAL INC SERIES A | Common Stock | 9 | 319 |
| LIBERTY MEDIA CORP | Common Stock | 161 | 2,544 |
| LOEWS CORP | Common Stock | 27 | 1,035 |
| MACY S INC | Common Stock | 7 | 188 |
| MAXIM INTEGRATED PRODUCTS | Common Stock | 141 | 3,330 |
| MCGRAW-HILL COS INC/THE | Common Stock | 17 | 612 |
| MEDTRONIC INC | Common Stock | 37 | 1,361 |
| MERCK & CO INC | Common Stock | 233 | 8,397 |
| MOLEX INC | Common Stock | 82 | 1,549 |
| MOTOROLA INC | Common Stock | 734 | 6,659 |
| NEWS CORP | Common Stock | 474 | 6,896 |
| NOKIA CORP ADR | Common Stock | 162 | 1,671 |
| NOVARTIS AG ADR | Common Stock | 106 | 6,249 |
| OCCIDENTAL PETROLEUM CORP | Common Stock | 72 | 7,014 |
| PANASONIC CORP ADR | Common Stock | 174 | 2,446 |
| PFIZER INC | Common Stock | 384 | 6,717 |
| PITNEY BOWES INC | Common Stock | 70 | 1,693 |

(Continued)

Table of Contents**DELL INC. 401(k) PLAN****EIN 74-2487834, PLAN 001****FORM 5500, SCHEDULE H, PART IV, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)****DECEMBER 31, 2010****(In thousands)**

| (a) (b) Identity of Issue | (c) Description | Number of shares | (d) Cost** | (e) Current Value |
|---|-----------------------|------------------------|---------------|-------------------------|
| ROYAL DUTCH SHELL ADR | Common Stock | 18 | | \$ 1,202 |
| SANOFI-AVENTIS ADR | Common Stock | 145 | | 4,677 |
| SCHLUMBERGER | Common Stock | 103 | | 8,600 |
| SLM CORP | Common Stock | 109 | | 1,373 |
| SONY CORP ADR | Common Stock | 95 | | 3,392 |
| SPRINT NEXTEL CORP | Common Stock | 761 | | 3,217 |
| SUNTRUST BANKS INC | Common Stock | 45 | | 1,325 |
| SYMANTEC CORP | Common Stock | 255 | | 4,269 |
| SYNOPSIS INC | Common Stock | 84 | | 2,268 |
| TELEFONAKTIEBOLAGET | | | | |
| LM ERICSSO ADR | Common Stock | 156 | | 1,798 |
| TIME WARNER CABLE INC | Common Stock | 67 | | 4,422 |
| TIME WARNER INC | Common Stock | 202 | | 6,499 |
| TRAVELERS COS INC/THE | Common Stock | 41 | | 2,256 |
| TYCO ELECTRONICS LTD | Common Stock | 77 | | 2,726 |
| TYCO INTERNATIONAL LTD. | Common Stock | 46 | | 1,885 |
| US BANCORP DELAWARE | Common Stock | 56 | | 1,510 |
| VODAFONE GROUP SPON | | | | |
| ADR | Common Stock | 158 | | 4,176 |
| VULCAN MATERIALS CO | Common Stock | 28 | | 1,222 |
| WALGREEN CO COM STK | Common Stock | 79 | | 3,070 |
| WAL-MART STORES INC | Common Stock | 48 | | 2,589 |
| WELLS FARGO & CO | Common Stock | 254 | | 7,856 |
| XEROX CORP | Common Stock | 395 | | 4,551 |
| Total Dell Inc. 401(k) Dodge & Cox Large Cap Value | | | | \$ 270,250 |
| | | | | |
| Dell Inc. 401(k) Times Square/Mid Cap Growth Fund | | | | |
| Dreyfus Gov t Cash Mgmt. Fund | Short-Term Investment | | | \$ 11,377 |
| ADVISORY BOARD INC | Common Stock | 29 | | 1,381 |
| AERCAP HOLDINGS N.V. | Common Stock | 157 | | 2,210 |
| ALLEGIANT TRAVEL CO | Common Stock | 36 | | 1,792 |
| ALLIANCE DATA SYSTEM | Common Stock | 53 | | 3,765 |
| ALTERA CORP | Common Stock | 26 | | 918 |
| AMDOCS ORD | Common Stock | 71 | | 1,950 |

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| | | | |
|------------------------------------|--------------|-----|-------|
| AMPHENOL CORP | Common Stock | 36 | 1,884 |
| ANALOG DEVICES INC | Common Stock | 56 | 2,113 |
| ARCH CAPITAL GROUP LTD | Common Stock | 11 | 925 |
| ARCHIPELAGO LEARNING INC | Common Stock | 48 | 467 |
| ATHEROS COMMUNICATIONS INC | Common Stock | 57 | 2,058 |
| BALLY TECHNOLOGIES INC | Common Stock | 43 | 1,818 |
| BIO RAD LABORATORIES INC | Common Stock | 30 | 3,064 |
| BLACKBOARD INC | Common Stock | 54 | 2,234 |
| BROOKDALE SENIOR LIVING INC | Common Stock | 78 | 1,679 |
| BRUKER CORP | Common Stock | 88 | 1,461 |
| CARLISLE COS INC | Common Stock | 43 | 1,709 |
| CATALYST HEALTH SOLUTIONS INC. | Common Stock | 44 | 2,036 |
| CEPHALON INC | Common Stock | 31 | 1,913 |
| CLARCOR INC | Common Stock | 27 | 1,158 |
| CLEAN HARBORS INC | Common Stock | 26 | 2,144 |
| CLINICAL DATA INC | Common Stock | 27 | 434 |
| CONCHO RESOURCES INC/MIDLAND TX | Common Stock | 28 | 2,420 |
| CORE LABORATORIES NV | Common Stock | 18 | 1,603 |
| COSTAR GROUP INC | Common Stock | 40 | 2,314 |
| DAVITA INC | Common Stock | 100 | 6,949 |
| DENBURY RESOURCES INC | Common Stock | 98 | 1,871 |
| DISCOVERY COMMUNICATIONS INC | Common Stock | 3 | 123 |
| DOLBY LABORATORIES INC | Common Stock | 28 | 1,841 |

(Continued)

Table of Contents**DELL INC. 401(k) PLAN
EIN 74-2487834, PLAN 001****FORM 5500, SCHEDULE H, PART IV, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)****DECEMBER 31, 2010****(In thousands)**

| (a) (b) Identity of Issue | (c) Description | Number of Shares | (d) Cost** | (e) Current Value |
|--|-----------------|------------------------|---------------|-------------------------|
| DRIL QUIP INC | Common Stock | 23 | | \$ 1,756 |
| DUPONT FABROS TECHNOLOGY INC | Common Stock | 55 | | 1,170 |
| EMERGENCY MEDICAL SERVICES L.P. | Common Stock | 36 | | 2,319 |
| FLETOR TECHNOLOGIES INC | Common Stock | 24 | | 727 |
| FLOWERS FOODS INC | Common Stock | 40 | | 1,076 |
| FULTON FINANCIAL CORP | Common Stock | 21 | | 215 |
| GARDNER DENVER INC | Common Stock | 20 | | 1,404 |
| GEN-PROBE INC | Common Stock | 23 | | 1,348 |
| GENTEX CORP | Common Stock | 61 | | 1,812 |
| GLACIER BANCORP COM STK | Common Stock | 81 | | 1,225 |
| GLOBAL PAYMENTS INC COM STK | Common Stock | 87 | | 4,030 |
| GRACO INC | Common Stock | 45 | | 1,756 |
| GRAND CANYON EDUCATION INC | Common Stock | 72 | | 1,410 |
| GEEN DOT CORP | Common Stock | 29 | | 1,651 |
| HAEMONETICS CORP | Common Stock | 25 | | 1,580 |
| HENRY JACK & ASSOCIATES INC COM STK | Common Stock | 74 | | 2,160 |
| HERBALIFE LTD | Common Stock | 27 | | 1,812 |
| HOLOGIC INC | Common Stock | 79 | | 1,487 |
| IHS INC | Common Stock | 30 | | 2,412 |
| INFORMATICA CORP | Common Stock | 35 | | 1,519 |
| JARDEN CORP | Common Stock | 79 | | 2,423 |
| KANSAS CITY SOUTHERN COM | Common Stock | 56 | | 2,680 |
| LAZARD LTD | Common Stock | 78 | | 3,080 |
| LAMAR ADVERTISING OC | Common Stock | 50 | | 1,992 |
| LINEAR TECHNOLOGY CORP | Common Stock | 71 | | 2,452 |
| MAGELLAN HEALTH SERVICES INC | Common Stock | 32 | | 1,513 |
| MANTECH INTERNATIONAL CORP | Common Stock | 27 | | 1,116 |
| MANITOWOC CO INC/THE | Common Stock | 130 | | 1,710 |

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| | | | |
|----------------------------------|--------------|-----|-------|
| MICROS SYSTEMS INC | Common Stock | 15 | 662 |
| MOHAWK INDUSTRIES | Common Stock | 32 | 1,788 |
| MONSTER WORLDWIDE INC | Common Stock | 34 | 811 |
| MYRIAD GENETICS INC | Common Stock | 63 | 1,439 |
| NASDAQ OMX GROUP INC/THE | Common Stock | 80 | 1,906 |
| NATIONAL INSTRUMENTS CORP | Common Stock | 39 | 1,483 |
| NETLOGIC MICROSYSTEMS INC | Common Stock | 73 | 2,293 |
| NEUSTAR INC-CLASS | Common Stock | 78 | 2,040 |
| NICE SYSTEMS ADR | Common Stock | 59 | 2,042 |
| NORTHERN OIL AND GAS INC | Common Stock | 22 | 596 |
| OCEANEERING INTERNATIONAL INC | Common Stock | 26 | 1,914 |
| OIL STATES INTERNATIONAL INC | Common Stock | 35 | 2,243 |
| ONYX PHARMACEUTICALS | Common Stock | 52 | 1,917 |
| ORBITAL SCIENCES | Common Stock | 105 | 1,799 |
| PROASSURANCE CORP | Common Stock | 35 | 2,121 |
| QUICKSILVER RESOURCES INC | Common Stock | 35 | 510 |
| RANGE RESOURCES CORP | Common Stock | 28 | 1,264 |
| RED HAT | Common Stock | 42 | 1,894 |
| REGAL-BELOIT CORP | Common Stock | 10 | 688 |
| RENAISSANCE RE HLDGS | Common Stock | 47 | 2,962 |
| RESMED INC | Common Stock | 56 | 1,940 |
| RESOURCES CONNECTION INC | Common Stock | 97 | 1,811 |
| SBA COMMUNICATIONS | Common Stock | 116 | 4,753 |
| SPX CORP | Common Stock | 20 | 1,401 |
| SIRONA DENTAL SYSTEMS INC | Common Stock | 47 | 1,943 |
| SOLERA HOLDINGS INC | Common Stock | 37 | 1,894 |
| SRA INTERNATIONAL INC | Common Stock | 65 | 1,329 |

(Continued)

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Table of Contents**DELL INC. 401(k) PLAN
EIN 74-2487834, PLAN 001****FORM 5500, SCHEDULE H, PART IV, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)****DECEMBER 31, 2010****(In thousands)**

| (a) (b) Identity of Issue | (c) Description | Number of shares | (d) Cost** | (e) Current Value |
|--|-------------------------|------------------------|---------------|-------------------------|
| STERICYCLE INC | Common Stock | 4 | | \$ 324 |
| STRAYER EDUCATION INC | Common Stock | 5 | | 761 |
| TALECRIS BIOTHERAPEUTICS HLDGS CORP | Common Stock | 51 | | 1,188 |
| TCF FINANCIAL CORP | Common Stock | 93 | | 1,379 |
| TERADYNE INC | Common Stock | 119 | | 1,671 |
| THOR INDUSTRIES INC | Common Stock | 49 | | 1,647 |
| TIFFANY & CO | Common Stock | 23 | | 1,432 |
| TRANSDIGM INC | Common Stock | 36 | | 2,556 |
| UNITED NATURAL FOODS INC | Common Stock | 56 | | 2,036 |
| UTI WORLDWIDE INC ORD | Common Stock | 75 | | 1,590 |
| VARIAN SEMICONDUCT EQUIP ASSOC INC COM | Common Stock | 62 | | 2,307 |
| WABCO HOLDINGS INC WABTEC | Common Stock | 48 | | 2,894 |
| CORPORATIONCOM | Common Stock | 29 | | 1,534 |
| WESCO INTERNATIONAL INC | Common Stock | 41 | | 2,175 |
| WMS INDUSTRIES INC | Common Stock | 40 | | 1,809 |
| WHITING PETROLEUM CORP | Common Stock | 26 | | 3,047 |
| WILEY(JOHN)& SONS INC | Common Stock | 37 | | 1,674 |
| WRIGHT EXPRESS CORP | Common Stock | 64 | | 2,944 |
| Total Dell Inc. 401(k) Times Square/Mid Cap Growth Fund | | | | \$ 197,857 |
| Total Separately Managed Funds | | | | \$ 730,514 |
| Common Collective Trust: | | | | |
| BlackRock Equity Index Fund | Common Collective Trust | 6,672 | | \$ 284,819 |

Dwight Stable Value Fund

| | | |
|--------------------------|--|-----------|
| Bank of America 03-068 | Dwight Target 2 Fund | \$ 22,915 |
| | Dwight Target 5 Fund | 7,933 |
| | Dwight Intermediate Core Plus Fund | 11,548 |
| | Synthetic Contract Wrapper,#03-068, 2.32% | 122 |
| | | 42,518 |
| ING Life & Annuity 60074 | Dwight Target 2 Fund | 22,922 |
| | Dwight Target 5 Fund | 7,936 |
| | Dwight Intermediate Core Plus Fund | 11,552 |
| | Synthetic Contract Wrapper, #60074, 2.36% | |
| | | 42,410 |
| JP Morgan Chase ADELL-BC | Dwight Target 2 Fund | 22,942 |
| | Dwight Target 5 Fund | 7,943 |
| | Dwight Intermediate Core Plus Fund | 11,562 |
| | Synthetic Contract Wrapper, #ADELL-S, 2.34% | 243 |
| | | 42,690 |
| Monumental MDA01034TR | Dwight Target 2 Fund | 22,949 |
| | Dwight Target 5 Fund | 7,945 |
| | Dwight Intermediate Core Plus Fund | 11,565 |
| | Synthetic Contract Wrapper, #MDA-01034TR, 2.34% | |
| | | 42,459 |

(Continued)

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DELL INC. 401(k) PLAN
EIN 74-2487834, PLAN 001
FORM 5500, SCHEDULE H, PART IV, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2010
(In thousands)

| (a) (b) Identity of Issue | (c) Description | (d) Cost** | (e) Current Value |
|---|---|---------------|--|
| Dwight Stable Value Fund Monumental MDA01075TR | Dwight Target 2 Fund JPM Mortgage Private Placement Synthetic Contract Wrapper, #MDA-01075TR, 1.68% | | \$ 20,834 4,145 24,979 |
| NATIXIS Financial Products 1882 | Dwight Target 2 Fund JPM Mortgage Private Placement Synthetic Contract Wrapper,#1882, 1.80% | | 20,833 4,145 24,978 |
| Pacific Life Insurance G-26953.01 | Dwight Target 2 Fund Dwight Target 5 Fund Dwight Intermediate Core Plus Fund Synthetic Contract Wrapper, #G-26953.01.0001, 2.34% | | 22,905 7,930 11,543 122 42,500 |
| State Street Bank 110002 | Dwight Target 2 Fund JPM Mortgage Private Placement Synthetic Contract Wrapper,#110002, 1.60% | | 20,837 4,145 |

| | | |
|--|--|---------------------|
| | | 24,982 |
| Dreyfus Gov t Cash Mgmt Fund | Short-term Investment Fund | 37,178 |
| SEI Stable Asset Value | Common Collective Trust | 4,163 |
| Total Dwight Stable Value Fund | | \$ 328,857 |
| * Participant Loans | Loans bearing interest rates ranging from 4.25% to 10.5%, due at various dates through August 25, 2031 | \$ 69,862 |
| | Total | \$ 2,916,092 |
| * Party-in-Interest | | |
| ** Cost information is not required for participant-directed investments | | (Concluded) |

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the Plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

DELL INC. 401(k) PLAN

By: Benefits Administration Committee of the Dell Inc.
401(k) Plan

Date: June 21, 2011

By: /s/ Janet B. Wright

Janet B. Wright
On Behalf of the Benefits Administration
Committee

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INDEX TO EXHIBITS

| Exhibit Number | Description |
|---------------------------|--|
| 23.1 | Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm |