

DELL INC
Form 11-K
June 21, 2011

Table of Contents

**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
TABLE OF CONTENTS**

	Page
<u>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	1
FINANCIAL STATEMENTS:	
<u>Statements of Net Assets Available for Benefits as of December 31, 2010 and 2009</u>	2
<u>Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2010</u>	3
<u>Notes to Financial Statements</u>	4
<u>SUPPLEMENTAL SCHEDULE</u>	
<u>Form 5500, Schedule H, Part IV, Line 4i Schedule of Assets (Held at End of Year) as of December 31, 2010</u>	16
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.	

Table of Contents

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

- 1 -

Table of Contents**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.

- 2 -

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
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Investment income:

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

Total investment income	210,350
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Interest on participant loans	2,928
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Total additions	565,496
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DEDUCTIONS:

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

Total deductions	154,508
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INCREASE IN NET ASSETS	410,988
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TRANSFER FROM PEROT SYSTEMS CORPORATION RETIREMENT SAVINGS PLAN	659,915
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NET ASSETS AVAILABLE FOR BENEFITS:

Beginning of year	1,853,422
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End of year	\$ 2,924,325
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The accompanying notes are an integral part of these financial statements.

Table of Contents

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.

Table of Contents

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)

Table of Contents

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

Table of Contents

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.

Table of Contents

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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Table of Contents

	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.

- 10 -

Table of Contents

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.

Table of Contents**4. INVESTMENTS**

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

Table of Contents**5. STABLE VALUE FUND**

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

Table of Contents

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.

Table of Contents

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.

* * * * *

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. 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)

- 20 -

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)

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	(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)

Table of Contents

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

- 23 -

Table of Contents

INDEX TO EXHIBITS

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