

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS AUSTIN DIVISION**

IN RE DELL INC. SECURITIES LITIGATION : Case No. A-06-CA-726-SS

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

A federal court authorized this notice. This is not a solicitation from a lawyer.

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by a class action lawsuit pending in this Court (the "Action") if you purchased or otherwise acquired the common stock of Dell Inc., directly or beneficially, between May 16, 2002 and September 8, 2006, inclusive (the "Settlement Class Period"), and were damaged thereby (the "Settlement Class").

NOTICE OF SETTLEMENT: Please also be advised that Lead Plaintiff, Union Asset Management Holding AG ("Union"), on behalf of the Settlement Class, has reached a proposed settlement that will resolve all of the claims that Lead Plaintiff has asserted against Michael S. Dell, Kevin B. Rollins and James M. Schneider (the "Individual Defendants") and Dell ("Defendants").

This Notice explains important rights you may have, including your possible receipt of cash from the Settlement. Your legal rights will be affected whether or not you act. Please read this Notice carefully!

Statement of Settlement Class's Recovery: The parties have established a Settlement Fund consisting of US\$40,000,000 in cash, plus any interest earned on that amount after it is deposited (the "Settlement Fund"). Lead Plaintiff's damages expert estimates that approximately 3.34 billion shares of Dell common stock purchased during the Settlement Class Period have potential recovery based on the Plan of Allocation. Lead Plaintiff estimates that the average recovery per damaged share of Dell common stock under the settlement is approximately \$0.01, before deduction of administration and notice costs and Court-awarded attorneys' fees and expenses. A Settlement Class Member's actual recovery will be determined in accordance with a plan of allocation (the "Plan of Allocation") that will be approved by the Court and will determine how the Net Settlement Fund (*i.e.*, the Settlement Fund less administration and notice costs and Court-awarded attorneys' fees and expenses) shall be allocated. The proposed Plan of Allocation is included in this Notice. Settlement Class Members' actual recoveries will depend on a number of factors, including (1) the number of claims submitted; (2) when a Settlement Class Member purchased Dell common stock; (3) whether the Settlement Class Member continued to hold Dell common stock at the end of the Settlement Class Period; and (4) if the Settlement Class Member sold Dell common stock, when it was sold and the price received. For more information on Settlement Class Members' actual recovery, see the "Plan of Allocation" beginning on page 6.

Statement of Average Amount of Damages Per Share: Lead Plaintiff and Defendants (the "Parties") do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiff were to prevail. Defendants deny that Dell common stock was damaged as Lead Plaintiff has alleged.

Statement of Attorneys' Fees and Expenses Sought: Court-appointed Lead Counsel, Motley Rice LLC ("Motley Rice" or "Lead Counsel") will apply to the Court for an award of attorneys' fees in an amount not greater than 25 percent (\$10,000,000) of the Settlement Fund, and for reimbursement of litigation expenses not to exceed \$450,000. The requested fees and expenses amount to an average of \$.0031 per damaged share.

Identification of Attorneys' Representatives: Lead Plaintiff and the Class are being represented by Motley Rice, the Court-appointed Lead Counsel. Any questions regarding the settlement should be directed to Gregg S. Levin and Lance V. Oliver, Motley Rice, 28 Bridgeside Boulevard, Mount Pleasant, South Carolina, 29464 (843) 216-9000.

Reasons for Settlement: The settlement provides the Settlement Class with a guaranteed recovery, which must be compared to the risk of no recovery if either the Court of Appeals for the Fifth Circuit affirms the District Court's dismissal of the Action, or, even if the Fifth Circuit reverses the dismissal, after a contested trial and likely appeals, all of which could take years to resolve. The principal reason Defendants are settling is to eliminate the expense, risks, and uncertain outcome of the Action. Defendants nonetheless deny all allegations of fault, liability, or wrongdoing whatsoever.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
REMAIN A MEMBER OF THE SETTLEMENT CLASS	The only way to get a payment. If you wish to obtain a payment as a Settlement Class Member, you will need to file a Proof of Claim and Release form (which is included with this Notice) postmarked no later than May 11, 2010.
EXCLUDE YOURSELF BY APRIL 13, 2010	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against Defendants and Defendants' Related Persons about the Released Claims.
OBJECT BY APRIL 16, 2010	Write to the Court and explain why you do not like the settlement, the proposed Plan of Allocation, or the request for attorneys' fees and reimbursement of expenses. You cannot object to the settlement unless you are a Settlement Class Member and do not exclude yourself.

GO TO A HEARING ON APRIL 30, 2010 AT 2:00 P.M., AND FILE A NOTICE OF INTENTION TO APPEAR POSTMARKED AND FILED NO LATER THAN APRIL 16, 2010	Ask to speak in Court about the fairness of the settlement, the proposed Plan of Allocation, or the request for attorneys' fees and reimbursement of expenses.
DO NOTHING	Get no payment. Remain a Settlement Class Member. Give up your rights.

BASIC INFORMATION

1. Why did I get this notice package?

This Notice is being sent to you pursuant to an Order of the United States District Court for the Western District of Texas (the "Court") because you or someone in your family may have purchased or otherwise acquired Dell common stock between May 16, 2002, and September 8, 2006, inclusive, and may have been damaged thereby. The Court directed that this Notice be sent to Settlement Class Members because they have a right to know about a settlement of the Action, and their options, before the Court decides whether to approve the settlement.

In a class action lawsuit, the Court selects one or more people, known as class representatives, to sue on behalf of all people with similar claims, commonly known as the class or the class members. Once the class is certified, the Court must resolve all issues on behalf of the class members, except for any persons who choose to exclude themselves from the class. On April 9, 2007, the Court appointed Union to serve as "Lead Plaintiff" under the Private Securities Litigation Reform Act of 1995 ("PSLRA"), and approved Lead Plaintiff's selection of the law firm of Motley Rice to serve as Lead Counsel in the Action.

The Court in charge of the case is the United States District Court for the Western District of Texas, Austin Division, and the case is styled *In re Dell Inc. Securities Litigation*, Case No. A-06-CA-726-SS. This case was assigned to United States District Judge Sam Sparks.

Defendants are Dell and certain of its executive officers during the Settlement Class Period: Michael S. Dell, Dell's current Chief Executive Officer and Chairman; Kevin B. Rollins, Dell's former President and Chief Executive Officer; and James M. Schneider, Dell's former Chief Financial Officer.

2. What is this lawsuit about?

On September 13, 2006, investors filed the first of several federal securities fraud lawsuits on behalf of all purchasers of Dell's publicly traded securities. On April 9, 2007, the Court consolidated the pending actions.

On January 11, 2008, Lead Plaintiff filed the Consolidated Amended Complaint (the "Complaint") against Defendants and PricewaterhouseCoopers LLP, Dell's outside auditor, on behalf of investors who purchased Dell publicly traded securities between May 16, 2002 and September 8, 2006, inclusive. The Complaint alleges violations of Sections 10(b), 20(a) and 20A of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, 17 C.F.R. § 240.10b-5. The Complaint alleges, among other things, that, during the Settlement Class Period, Defendants engaged in accounting fraud for four years so that the Company could meet or exceed earnings guidance. According to the Complaint, these alleged misstatements and omissions induced Settlement Class Members to buy Dell common stock at artificially inflated prices. The Complaint asserts that when the true facts came to light, Settlement Class Members were damaged because the value of Dell's common stock dropped.

3. Why is there a settlement?

On March 11, 2008, Defendants and PricewaterhouseCoopers moved to dismiss the Complaint. On October 7, 2008, the Court granted the Motions to Dismiss and denied Union leave to amend. On November 3, 2008, Union filed a Notice of Appeal to the United States Court of Appeals for the Fifth Circuit with respect to the dismissal of the claims against Defendants. That appeal was fully briefed and pending before the Court of Appeals when the Parties agreed to settle the Action.

The Parties have agreed – subject to Court approval – to resolve the case for \$40 million, and have agreed on the precise terms of the Stipulation, this Notice and other necessary documents. Defendants have agreed to stipulate to class certification for purposes of this settlement only. The Court has preliminarily approved the settlement and class certification. The Court has not finally approved this settlement, and any recovery herein is subject to such approval. Union and Lead Counsel believe the settlement is in the best interest of all Settlement Class Members.

WHO IS IN THE SETTLEMENT CLASS

To see if you will get money from this settlement, you must first check whether you are a Settlement Class Member.

4. How do I know if I am part of the Settlement Class?
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Except as provided in No. 5 below, everyone who fits this description is a Settlement Class Member: *All persons who purchased or otherwise acquired the common stock of Dell Inc., directly or beneficially, between May 16, 2002 and September 8, 2006, inclusive, and were damaged thereby.*

5. Are there exceptions to being included?

Yes. The following persons are excluded from the Settlement Class: All persons who timely and validly request exclusion from the Settlement Class; Defendants; PricewaterhouseCoopers LLP; the officers and directors of Dell and PricewaterhouseCoopers LLP during the Settlement Class Period; members of their immediate families and their legal representatives, heirs, successors, or assigns; and any entity in which Defendants or PricewaterhouseCoopers LLP have or had a controlling interest during the Settlement Class Period.

If one of your mutual funds purchased or otherwise acquired Dell common stock during the Settlement Class Period, that alone does not make you a Settlement Class Member. You are a Settlement Class Member only if you directly or beneficially purchased or otherwise acquired Dell common stock during the Settlement Class Period. Check your investment records or contact your broker to see if you purchased Dell common stock during the Settlement Class Period. In addition, if you **sold** Dell common stock during the Settlement Class Period, that alone does not make you a Settlement Class Member. You are a Settlement Class Member **only** if you **purchased** or otherwise **acquired** Dell common stock during the Settlement Class Period.

6. What if I am still not sure if I am included?

If you are still not sure whether you are a Settlement Class Member, you may ask for free help. You may call the Claims Administrator, The Garden City Group, Inc., at 1-888-710-2433 or visit www.dellsecuritieslitigation.com for more information. Or you can fill out and return the Proof of Claim and Release form described in question 9, to see if you qualify.

THE SETTLEMENT BENEFITS — WHAT YOU GET

7. What does the Settlement provide?

In exchange for the settlement and dismissal of the Action, Defendants agreed to create a \$40 million fund to be divided, after fees and expenses, among all Settlement Class Members who send in timely and valid Proof of Claim and Release forms.

8. How much will my payment be?

If you are a Settlement Class Member and submit a timely and valid Proof of Claim and Release form, your share of the Net Settlement Fund will depend on a number of factors, including the total number of valid Proof of Claim and Release forms that Settlement Class Members send in, the number of shares of Dell common stock that you purchased, the amount that you paid for your shares of Dell common stock, when you purchased your shares of Dell common stock, whether you sold your shares of Dell common stock and, if you sold your shares of Dell common stock, the amount that you sold them for.

You may calculate your Net Recognized Loss in accordance with the formula shown below in the Plan of Allocation. It is unlikely that you will get a payment for the entire amount of your Net Recognized Loss. Once Settlement Class Members have sent in their Proof of Claim and Release forms and following the expiration of the Court-ordered time period to submit Proof of Claim and Release forms, the payment you get will be your Net Recognized Loss (as adjusted by Net Market Loss) divided by the total of the Net Recognized Losses of all Authorized Claimants, multiplied by the Net Settlement Fund (your "Recognized Claim"). For more information, see the Plan of Allocation beginning on page 6.

HOW YOU GET A PAYMENT — SUBMITTING A PROOF OF CLAIM AND RELEASE FORM

9. How can I get a payment?

If you are a Settlement Class Member, to qualify for a payment, you must send in a Proof of Claim and Release form. A Proof of Claim and Release form is being circulated with this Notice. You may also get a Proof of Claim and Release form on the Internet at www.dellsecuritieslitigation.com. Read the instructions carefully, fill out the Proof of Claim and Release form, include all the documents the form asks for, sign it, and mail it postmarked no later than **May 11, 2010**.

10. When would I get my payment?

The Court will hold a hearing on **April 30, 2010** (the "Final Approval Hearing"), to decide whether to finally approve the settlement and the Plan of Allocation and to determine the award of attorneys' fees and reimbursement of litigation expenses. Even if the Court approves the settlement and the plan of allocation, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. It also takes time for all the Proofs of Claim to be processed. Please be patient.

11. What am I giving up to get a payment or stay in the Settlement Class?

Unless you exclude yourself, you are staying in the Settlement Class, and that means that, upon the "Effective Date," you will release all "Released Claims" (as summarized below and defined more fully in ¶ 1.29 of the Stipulation) against Defendants and Defendants' "Related Persons" (as fully defined in ¶ 1.28 of the Stipulation). Generally, if you remain a member of the Settlement Class, you will release all claims you have against Defendants and their Related Persons arising out of, relating to, or in connection with the purchase,

acquisition, sale, or retention of Dell common stock during the Settlement Class Period. If you remain a member of the Settlement Class, all of the Court's orders will apply to and bind you.

EXCLUDING YOURSELF FROM THE SETTLEMENT CLASS

12. How do I get out of the proposed Settlement Class?

If you do not want a payment from the Net Settlement Fund, but you want to keep any right you may have to sue or continue to sue Defendants and Defendants' Related Persons, on your own, about the Released Claims, then you must take steps to preserve those rights by excluding yourself from the Settlement Class. This is sometimes referred to as "opting out" of the Settlement Class. Dell may withdraw from and terminate the settlement if putative Settlement Class Members who purchased or otherwise acquired in excess of a certain number of shares of Dell common stock exclude themselves from the Settlement Class.

To exclude yourself from the Settlement Class, you **must** send a signed letter by mail stating that you "request exclusion from the Settlement Class in *In re Dell Inc. Securities Litigation*, Case No. A-06-CA-726-SS." Your letter must include your name, your address, your telephone number, the number of shares of Dell common stock that you owned at the close of business on May 15, 2002, the date(s) of all of your purchases and sales of Dell common stock during the Settlement Class Period, the price(s) paid or received for all purchases and sales of Dell common stock during the Settlement Class Period, and the amount(s) of stock purchased or sold for each purchase or sale of Dell common stock during the Settlement Class Period. You must mail your exclusion request postmarked no later than **April 13, 2010** to:

**Dell Inc. Securities Litigation
Exclusions
c/o The Garden City Group, Inc.
PO Box 9571
Dublin, OH 43017-4871**

You cannot exclude yourself by telephone or by e-mail. If you ask to be excluded, you will not get any settlement payment, and you cannot object to the settlement. If you are excluded, you will not be legally bound by anything that happens in the Action. ***If you exclude yourself, do not send in a Proof of Claim and Release form because you have given up any rights to ask for any money from the Settlement Fund.***

13. If I do not exclude myself, can I sue Defendants and Defendants' Related Persons for the same thing later?

No. Unless you exclude yourself, you give up any rights to sue Defendants and Defendants' Related Persons for any and all Released Claims. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from this Settlement Class to continue your own lawsuit. Remember, the exclusion deadline is **April 13, 2010**.

THE LAWYERS REPRESENTING YOU

14. Do I have a lawyer in this case?

The Court appointed the law firm of Motley Rice in Mount Pleasant, South Carolina to represent all Settlement Class Members. This law firm is called Lead Counsel. You will not be separately charged for the lawyers at this firm. The Court will determine the amount of Lead Counsel's fees and expenses, which will be paid from the Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

15. How will the lawyers be paid?

Lead Counsel are asking the Court to award attorneys' fees from the Settlement Fund in an amount not greater than 25 percent (\$10,000,000) of the Settlement Fund, and for reimbursement of litigation expenses not greater than \$450,000, plus interest at the same rate as earned by the Settlement Fund. Lead Counsel has expended considerable time and effort prosecuting the Action on a completely contingent basis. Lead Counsel has advanced the expenses of the Action, in the expectation that, if it was successful in obtaining a recovery for the Settlement Class, they would be paid from such recovery. In this type of litigation, it is customary for counsel to be awarded as its attorneys' fees a percentage of the common fund recovered. Lead Counsel, without further notice to the Settlement Class, will subsequently pay from the Settlement Fund the Claims Administrator's fees and expenses incurred in connection with giving notice, administering the settlement and distributing the settlement proceeds to the members of the Settlement Class.

OBJECTING TO THE SETTLEMENT

16. How do I tell the Court that I do not like the settlement?

If you are a Settlement Class Member, you may object to the settlement or any of its terms, the proposed Plan of Allocation and/or the application by Lead Counsel for an award of fees and expenses. You may write to the Court setting out your objection. The Court will consider your views if you file a proper objection within the deadline identified, and according to the following procedures. The Court may approve the settlement even if you object.

To object, send a signed letter stating that you object to the proposed settlement in *In re Dell Inc. Securities Litigation*, Case No. A-06-CA-726-SS. Your letter must include your name, your address, your telephone number, the reason(s) for objecting to the settlement, the number of shares of Dell common stock you owned at the close of business on May 15, 2002, the date(s) of all of your purchases

and sales of Dell common stock during the Settlement Class Period, the price(s) paid or received for all purchases and sales of Dell common stock during the Settlement Class Period, and the amount(s) of stock purchased or sold for each purchase or sale of Dell common stock during the Settlement Class Period. Your objection must be postmarked and filed with the Court and served on all the following counsel on or before **April 16, 2010**:

COURT

Clerk of the Court
United States District Court
for the District of Texas
Austin Division
200 West 8th Street
Austin, Texas 78701

PLAINTIFFS' LEAD COUNSEL

William H. Narwold
Motley Rice LLC
One Corporate Center
20 Church Street
17th Floor
Hartford, CT 06103

Gregg S. Levin
Lance V. Oliver
Motley Rice LLC
28 Bridgeside Blvd.
Mount Pleasant, SC 29464

DEFENDANTS' COUNSEL

Patricia J. Villareal
Thomas R. Jackson
Greg L. Weselka
Michael L. Davitt
Jones Day
2727 North Harwood Street
Dallas, TX 75201-1515

You do not need to go to the Final Approval Hearing to have your written objection considered by the Court. At the Final Approval Hearing, any Settlement Class Member who has not previously submitted a request for exclusion from the Settlement Class, and who has complied with the procedures set out in this question 16 and question 19 below for filing with the Court and providing to Lead Counsel and Defendants' Counsel a statement of an intention to appear at the Final Approval Hearing, may also appear and be heard, to the extent allowed by the Court, to state any objection to the settlement, the Plan of Allocation or Lead Counsel's motion for an award of attorneys' fees and reimbursement of expenses. Any such objector may appear in person or arrange, at that objector's expense, for a lawyer to represent the objector at the Final Approval Hearing.

17. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the settlement. You may object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the Action no longer affects you.

THE COURT'S FINAL APPROVAL HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you do not have to.

18. When and where will the Court decide whether to approve the settlement?

The Court will hold a Final Approval Hearing at **2:00 p.m.** on **Friday, April 30, 2010**, at the United States District Court for the Western District of Texas, Austin Division, United States Courthouse, Courtroom No. 2, 200 West 8th Street, Austin, Texas 78701. At this hearing, the Court will consider whether the settlement is fair, reasonable and adequate. The Court also will consider the proposed Plan of Allocation for the proceeds of the settlement, and the application of Lead Counsel for an award of attorneys' fees and reimbursement of expenses. The Court will take into consideration any written objections filed in accordance with the instructions at question 16. The Court also may listen to people who have properly indicated, within the deadline identified above, an intention to speak at the hearing; but decisions regarding the conduct of the Final Approval Hearing will be made by the Court. See question 19 for more information about speaking at the Hearing.

The Court may change the date and time of the Final Approval Hearing. If you want to attend the hearing, you should check with Lead Counsel before coming to be sure that the date and/or time has not changed.

19. May I speak at the Final Approval Hearing?

If you are a Settlement Class Member and object to the settlement, the Plan of Allocation or the request for attorneys' fees and expenses, you may ask the Court for permission to speak at the Final Approval Hearing. To do so, you must include with your objection (see question 16 above) a statement stating that it is your "Notice of Intention to Appear in *In re Dell Inc. Securities Litigation*, Case No. A-06-CA-726-SS." Settlement Class Members who intend to object to the settlement, the Plan of Allocation, and/or Lead Counsel's motion for an award of attorneys' fees and expenses and who would like to present evidence at the Final Approval Hearing must include in their written objections the identity of any witnesses they may call to testify, and exhibits they intend to introduce into evidence at the Final Approval Hearing. You cannot speak at the Final Approval Hearing if you excluded yourself from the Settlement Class or if you have not provided written notice of your intention to speak at the Final Approval Hearing by the deadline identified, and in accordance with the procedures described herein.

IF YOU DO NOTHING

20. What happens if I do nothing at all?

If you do nothing, you will get no money from the settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against Defendants and Defendants' Related Persons about the Released Claims, ever again.

GETTING MORE INFORMATION

21. Are there more details about the proposed settlement?

This Notice summarizes the settlement. More details are in the Stipulation dated November 20, 2009. You can get a copy of the Stipulation by visiting www.dellsecuritieslitigation.com or writing to Lance V. Oliver, Motley Rice LLC, 28 Bridgeside Boulevard, Mt. Pleasant, SC 29464. You also can call the Claims Administrator at 1-888-710-2433 toll free; or write to the Claims Administrator at: **Dell Inc. Securities Litigation, c/o The Garden City Group, Inc., PO Box 9571, Dublin, OH, 43017-4871.**

For additional information concerning the matters involved in this Action, please refer to the pleadings, the Stipulation, the Orders entered by the Court and other papers filed in the Action. Those documents may be inspected during regular business hours at the Office of the Clerk of the United States District Court for the Western District of Texas, Austin Division, United States Courthouse, 200 West 8th Street, Austin, Texas 78701.

PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND

GENERAL PROVISIONS

Definitions:

The term "market loss" means the amount by which the actual out-of-pocket purchase or acquisition price is greater than the actual sale or holding price of Dell common stock.

The term "market profit" means the amount by which the actual out-of-pocket purchase or acquisition price is less than the actual sale or holding price of Dell common stock.

The terms "net market loss" and "net market profit" means any market loss or profit that occurs from the trading of Dell common stock during the Settlement Class Period, as discussed in "Computation Of Net Recognized Loss For Each Settlement Class Member" below.

The term "Recognized Loss," as used herein, is not market loss or net market loss. Rather, it is a calculation to arrive at a loss figure for purposes of calculating an Authorized Claimant's *pro rata* participation in the Net Settlement Fund as described below.

To Receive a Distribution from the Net Settlement Fund, a Settlement Class Member MUST:

1. Have purchased or otherwise acquired Dell common stock during the Settlement Class Period and been damaged thereby;
2. Complete and sign a Proof of Claim and Release form and supply all required documentation; and
3. Submit the completed Proof of Claim and Release form and documentation so that it is postmarked for mailing to, or otherwise actually received by, the Claims Administrator on or before **May 11, 2010**.

Each Proof of Claim and Release Form Must Separately Set Forth:

1. The claimant's position in Dell common stock as of the close of trading on May 15, 2002, the day before the first day of the Settlement Class Period;
2. Each transaction, *i.e.*, purchase, acquisition or sale made during the Settlement Class Period of Dell common stock; and
3. The claimant's position in Dell common stock as of the close of trading on September 8, 2006, the last day of the Settlement Class Period.

The Court may approve the Plan of Allocation with or without modifications agreed to among the Parties, or another Plan of Allocation, without further notice to Settlement Class Members.

BASIS FOR RECOGNIZED LOSS FOR CLAIMS

The objective of the Plan of Allocation is to equitably distribute the settlement proceeds to those Settlement Class Members who suffered economic Recognized Loss as a result of the alleged fraud, as opposed to Net Recognized Loss caused by market factors or non-fraud-related factors. Lead Plaintiff and Lead Counsel, in consultation with Lead Plaintiff's damages expert, prepared the Plan of Allocation to accomplish this goal. A Net Recognized Loss will be calculated for each purchase or acquisition of Dell common stock that occurred during the Settlement Class Period, listed in the Proof of Claim and Release form, and for which adequate documentation is provided.

The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's "Net Recognized Loss." The Recognized Loss formula is not intended to be an estimate of the amount of what a Settlement Class Member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the settlement. This computation is only a method to weigh Settlement Class Members' claims against one another. Each Authorized Claimant will receive *pro rata* shares of the Net Settlement Fund based on his, her or its Net Recognized Loss (as adjusted by Net Market Loss).

Option contracts are not securities eligible to participate in the settlement. Accordingly, shares purchased during the Settlement Class Period through the exercise of a call option or the assignment of a put option shall be treated as a purchase on the date of exercise or assignment for the stated exercise price set forth in the call or put option, and any Recognized Loss arising from such transaction shall be computed as provided for purchases of common stock.

Use of “FIFO” Methodology for Computation of Recognized Losses for Settlement Class Members Who Made Multiple Transactions in Dell Common Stock During the Settlement Class Period

For Settlement Class members who made multiple purchases, acquisitions or sales of Dell common stock during the Settlement Class Period, the earliest Settlement Class Period sale shall be matched first against the claimant’s closing position the day before the first day of the Settlement Class Period, and then matched chronologically thereafter against each purchase or acquisition made during the Settlement Class Period beginning with the earliest purchase or acquisition. Purchases and sales of Dell common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date.

Acquisition by Gift, Inheritance or Operation of Law

If a Settlement Class member acquired Dell common stock during the Settlement Class Period by way of gift, inheritance or operation of law, such a claim will be computed by using the date and price of the original purchase and not the date and price of transfer. To the extent those shares were originally purchased prior to commencement of the Settlement Class Period, the Recognized Loss for that acquisition shall be zero.

Treatment of Short Sales

The date of covering a “short sale” is deemed to be the date of purchase of Dell common stock. The date of a “short sale” is deemed to be the date of sale of Dell common stock. The Recognized Loss for “short sales” is zero. In the event that there is an opening short position in Dell common stock, the earliest Settlement Class Period purchases shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

Payments Less Than \$10

A payment to any Settlement Class Member that would amount to less than \$10.00 in total will not be included in the calculation of the Net Settlement Fund, and no payment to these Settlement Class Members will be distributed.

CALCULATION OF RECOGNIZED LOSS PER SHARE

Purchases or Exchange Acquisitions of Dell Common Stock

For shares of Dell common stock purchased or otherwise acquired during the Settlement Class Period, and:

- a) Sold during the same transaction period as detailed in the Table below, the Recognized Loss Per Share is \$0;
- b) Sold on or before the close of trading on September 8, 2006, the Recognized Loss Per Share is the lesser of (but not less than zero): (i) the purchase price minus the sale price; or (ii) the Loss Per Share on the date of purchase shown in the Table below minus the Loss Per Share on the date of sale shown in the Table below;
- c) Still held as of the close of business on September 8, 2006, the Recognized Loss Per Share is the lesser of (but not less than zero): (i) the purchase price minus \$21.19; or (ii) the Loss Per Share on the date of purchase shown in the Table below.

Transaction Period	Loss Per Share
May 16, 2002 – August 11, 2005	\$6.39
August 12, 2005 – February 16, 2006	\$3.79
February 17, 2006 – May 8, 2006	\$2.48
May 9, 2006 – August 17, 2006	\$1.38
August 18, 2006 – September 8, 2006	\$0.60

COMPUTATION OF NET RECOGNIZED LOSS FOR EACH SETTLEMENT CLASS MEMBER

The Recognized Loss with respect to a purchase or acquisition of Dell common stock is calculated by multiplying the number of shares by the appropriate Recognized Loss Per Share, as set forth above. The Net Recognized Loss equals the sum of all Recognized Losses for all transactions.

NOTE: ALL MARKET PROFITS SHALL BE SUBTRACTED FROM ALL MARKET LOSSES ON ALL TRANSACTIONS IN DELL COMMON STOCK DURING THE SETTLEMENT CLASS PERIOD TO DETERMINE THE NET MARKET LOSS OF EACH SETTLEMENT CLASS MEMBER.

For purposes of determining whether a Claimant had a market profit or suffered a market loss from his, her or its overall transactions in Dell common stock during the Settlement Class Period, the Claims Administrator shall: (i) total the amount paid (excluding commissions and other charges) for Dell common stock purchased during the Settlement Class Period (the “Total Purchase Amount”); (ii) match any sales of Dell common stock during the Settlement Class Period first against the Claimant’s opening position in Dell common stock (the proceeds of those sales will not be considered for purposes of calculating gains or losses); (iii) total the amount received (excluding commissions, etc.) for sales of Dell common stock sold during the Settlement Class Period (the “Sales Proceeds”); and (iv) assign the

holding price of \$21.19 per share for Dell common stock (the closing price of Dell common stock on September 11, 2006) for Dell common stock purchased or acquired during the Class Period and still held at the end of the Settlement Class Period ("Holding Value"). The Total Purchase Amount (i) less the Sales Proceeds (iii) and less the Holding Value (iv) will be deemed a Claimant's net market profit or net market loss (a profit occurs if a negative number is calculated) on his, her or its overall transactions in Dell common stock during the Settlement Class Period.

IF, DURING THE SETTLEMENT CLASS PERIOD, A SETTLEMENT CLASS MEMBER MADE A NET MARKET PROFIT IN HIS, HER OR ITS TRANSACTIONS IN DELL COMMON STOCK, THE AMOUNT OF THE SETTLEMENT CLASS MEMBER'S CLAIM SHALL BE ZERO. AND IF, DURING THE SETTLEMENT CLASS PERIOD, A SETTLEMENT CLASS MEMBER HAS A NET MARKET LOSS IN HIS, HER OR ITS TRADING IN DELL COMMON STOCK THAT IS LESS THAN HIS, HER OR ITS NET RECOGNIZED LOSS, THE SETTLEMENT CLASS MEMBER'S CLAIM SHALL BE LIMITED TO THE SETTLEMENT CLASS MEMBER'S NET MARKET LOSS.

DISTRIBUTION OF THE NET SETTLEMENT FUND

The Net Recognized Loss will be used for calculating the relative amount of participation by authorized claimants in the net settlement fund and does **not** reflect the actual amount an authorized claimant can expect to recover from the Net Settlement Fund. The Net Recognized Losses of all Authorized Claimants may be greater than the Net Settlement Fund. In such event, each Authorized Claimant shall receive his, her or its *pro rata* share of the Net Settlement Fund, which shall be his, her or its Net Recognized Loss (as adjusted by Net Market Loss) divided by the total of all Net Recognized Losses to be paid, multiplied by the total amount in the Net Settlement Fund. Each Authorized Claimant will receive *pro rata* shares of the Net Settlement Fund based on his, her or its Net Recognized Loss.

Distributions will be made to Authorized Claimants after all Proof of Claim and Release forms have been processed and after the Court has finally approved the settlement. All checks shall become stale 90 days from the date of issuance, at which time all funds remaining for such stale checks shall be irrevocably forfeited with such funds made available to be redistributed. If six months after such distribution any funds remain in the Net Settlement Fund by reason of uncashed distributions or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Settlement Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, a further distribution of the Net Settlement Fund shall be made, pursuant to which all funds from undeliverable, uncashed, or returned checks, shall, after payment of any unpaid costs or fees incurred or to be incurred in connection with administering the Net Settlement Fund, be paid to Authorized Claimants who cashed their distribution checks and who would receive at least an amount established by Lead Plaintiff to address cost benefit issues, with additional redistributions thereafter in six-month intervals until Lead Plaintiff determines that further redistribution is not cost-effective. At such time Lead Plaintiff determines that further redistribution is not cost-effective, the balance of the Net Settlement Fund, after payment of any unpaid costs or fees incurred in connection with administering the Net Settlement Fund, shall be donated to the American Red Cross.

Payment pursuant to the Plan of Allocation approved by the Court shall be conclusive against all Authorized Claimants. No person shall have any claim against Defendants, their Related Persons, Lead Plaintiff, Lead Counsel or the Claims Administrator or other agent designated by Lead Counsel based on the distributions made substantially in accordance with the Stipulation and the settlement contained therein, the Plan of Allocation, or further orders of the Court. Each Claimant shall be deemed to have submitted to the jurisdiction of the United States District Court for the Western District of Texas with respect to his, her or its Proof of Claim and Release form. All persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the Proof of Claim and Release forms submitted in connection with the settlement, or otherwise involved in the administration or taxation of the Settlement Fund or the Net Settlement Fund shall be released and discharged from any and all claims arising out of such involvement, and all Settlement Class Members, whether or not they are to receive payment from the Net Settlement Fund, will be barred from making any further claim against the Net Settlement Fund beyond the amount allocated to them as provided in any distribution orders entered by the Court.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased Dell common stock (NASDAQ ticker: DELL) between May 16, 2002 and September 8, 2006, inclusive, for the beneficial interest of any person or organization other than yourself, the Court has directed that, WITHIN TEN (10) DAYS OF YOUR RECEIPT OF THIS NOTICE, you either (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased those Dell shares during such time period, or (b) request additional copies of this Notice and the Proof of Claim and Release form, which will be provided to you free of charge, and within ten (10) days of your receipt of the Notice and Proof of Claim and Release form mail them directly to the beneficial owners of those Dell shares. If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expenses and the cost of ascertaining the names and addresses of beneficial owners, which expenses would not have been incurred except for the sending of such notices. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator at:

Dell Inc. Securities Litigation, c/o The Garden City Group, Inc., PO Box 9571, Dublin, OH, 43017-4871.

Dated: Austin, Texas
January 11, 2009

By Order of the Court
CLERK OF THE COURT