

## Dell earnings rise slightly though revenue is flat

RACHEL METZ - AP Technology Writer - Associated Press

Dell's third-quarter net income rose 9 percent though revenue remained flat from last year as the computer maker continued pruning less profitable parts of its business.

The company also predicted full-year revenue will come in near the low end of the guidance it issued in August, which was itself a reduction from Dell Inc.'s previous expectations. In its earnings report, Dell cited the uncertain economy, as well as the "industry-wide hard drive issue" — a reference to the recent flooding in Thailand that has hurt many tech companies' manufacturing operations.

For the quarter that ended Oct. 28, Dell earned \$893 million, or 49 cents per share. This compares with \$822 million, or 42 cents per share, in the same quarter in 2010.

Excluding one-time items, the Round Rock, Texas-based company said Tuesday that it earned 54 cents per share. This is 8 cents higher than what analysts polled by FactSet expected.

Revenue was flat at \$15.4 billion. Analysts expected \$16.2 billion.

Dell's revenue from large corporations rose 4 percent to \$4.5 billion, while its revenue from consumers fell 6 percent to \$2.8 billion. Revenue from the public sector fell 2 percent to \$4.4 billion, and revenue from small- and medium-sized businesses inched up 1 percent to \$3.7 billion.

Dell added that it now expects revenue for all of 2011 near the bottom of its outlook range, which predicts revenue growth of 1 to 5 percent over 2010. This forecast, lowered in August from a previous estimate of 5 to 9 percent growth, translates to \$62.1 billion to \$64.6 billion.

Analysts expect \$62.6 billion in revenue.

Dell shares fell 32 cents, or 2.1 percent, to \$15.36 in after-hours trading. The stock rose 31 cents, or 2 percent, to finish regular trading at \$15.63.

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