

Dell A/S

CVR-nr. 18 29 67 99

Arne Jacobsens Allé 17
2300 København S

***Annual Report for the Financial Year 31 January 2015 –
29 January 2016***

*The Annual Report was presented and adopted
at the Annual General Meeting of the Company
on 28/6 2016*

Tina Øster Larsen

Chairman

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Management's Statement on the Annual Report

The Executive and Supervisory Boards have today presented the Annual Report of Dell A/S for the Financial Year 31 January 2015 – 29 January 2016.

The Annual Report was prepared in accordance with the Danish Financial Statements Act.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We consider the accounting policies applied appropriate, and in our opinion the Annual Report gives a true and fair view of the financial position and the results of operations of the Company.

We recommend that the Annual Report be approved at the Annual General Meeting.

Copenhagen, on 28th June 2016

Managing Director

Lars Baun

Board of Directors

Henrik Fogelstrøm Thomsen

Chairman

Lars Baun

Director

Janet Wright

Director

Independent Auditor's Report

To the Shareholders of Dell A/S

Report on the Financial Statements

We have audited the Financial Statements of Dell A/S for the financial year 31 January 2015 – 29 January 2016, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 29 January 2016 and of the results of the Company operations for the financial year 31 January – 29 January 2016 in accordance with the Danish Financial Statements Act.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Financial Statements.

Copenhagen, 28 June 2016
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Ole T. Thomsen
State Authorised Public Accountant

Thomas Lauritsen
State Authorised Public Accountant

Company Information

The company

Dell A/S
Arne Jacobsens Allé 17
DK-2300 København S
Denmark

Telephone: +45 32 87 12 00

Facsimile: +45 32 87 12 01

Website: www.dell.dk

CVR-No.: 18 29 67 99

*Municipality of
reg. office: Copenhagen*

Board of Directors

Henrik Fogelstrøm Thomsen (*Chairman*)
Lars Baun
Janet Wright

Managing Director

Lars Baun

Lawyers

Bech-Bruun
Langelinie Allé 35
2100 København Ø
Denmark

Auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup
Denmark

Banks

Citibank
SEB

Financial Highlights

Seen over a five-year period the development can be described by the following financial highlights:

<i>Key figures</i>	2015/2016	2014/2015	2013/2014	2012/2013	2011/2012
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
<i>Profit/(loss) for the year</i>					
<i>Net turnover</i>	272 969	315 378	362 949	380 370	353 522
<i>Gross profit/(loss)</i>	167 060	208 428	226 433	222 084	272 247
<i>Profit/(loss) before financial items</i>	13 052	15 190	12 997	13 366	26 677
<i>Profit/(loss) before tax</i>	12 682	14 904	14 801	13 426	25 078
<i>Profit/(loss) for the year</i>	9 577	11 064	10 794	9 841	1 198
<i>Balance sheet</i>					
<i>Balance sheet total</i>	162 890	186 820	167 713	164 380	152 668
<i>Equity</i>	33 016	23 439	44 386	33 592	23 751
<i>Investments in tangible fixed assets</i>	2 292	1 209	1 502	740	1 011
<i>Number of staff</i>	199	242	283	327	350
<i>Ratios %</i>					
<i>Gross margin</i>	61.2	66.1	62.4	58.4	77.0
<i>Profit margin</i>	4.8	4.8	3.6	3.5	7.5
<i>Return on net assets</i>	8.0	8.1	7.7	8.1	17.5
<i>Solvency ratio</i>	20.3	12.5	26.5	20.4	15.6
<i>Return on equity</i>	33.9	32.6	27.7	34.3	5.2

Management's Review

The objects of the Company

As in previous years the company's main activity has consisted of sale on a commission basis of data and other equipment, which is considered to be related by the Board of Directors.

Development in the financial year

The company has a profit after tax of DKK 9,576,987 compared to a result of DKK 11,064,275 last year.

Dell's focus on delivering complete infrastructure solutions for government agencies and small and medium businesses has been positively received by our customers. We expect a continued focus on sales of this type of IT solutions and services and thus strengthen our position in the Danish market in the coming years.

In line with the current market development, Management considers the result for the year satisfactory.

Important events after the closing of the financial year

There have been no other unanticipated events or events of major importance to the company's financial position after the closing of the financial year.

The expected development

Management expects that a stronger focus on expanding partner strategy will contribute to a more positive result in the coming years. The company expects that the improved presence in the market and introduction of new products and services in the coming year will strengthen Dell's position as a provider of complete infrastructure.

Corporate Social Responsibility cf. section 99a of the Danish Financial Statement Act

Dell A/S participates in Dell group's global guidelines. Dell strive to be a global leader in every aspect of our business and to do so with the utmost integrity and ethics. We are proud to share our progress in the following link, where we demonstrate how we're innovating at Dell to put our technology and expertise to work, creating new possibilities for our customers, partners, neighbours, team and planet:

<http://i.dell.com/sites/doccontent/corporate/corp-comm/en/Documents/fy16-cr-report.pdf>

Gender Composition in the Board of Directors and the Executive Board cf. section 99b of the Danish Financial Statement Act

It is Dell A/S's objective that the Board of Directors and the Executive Board represent different educational backgrounds as well as both genders.

Once a year, the Board of Directors will - as part of the organisational review - assess Dell A/S's specific targets for diversity at the organisation's management levels and follow up on these targets.

Dell A/S fulfil the requirement for not having an underrepresented gender in the Board.

Gender Composition on Management levels cf. section 99b of the Danish Financial Statement Act

While Dell A/S considers diversity a strength in itself, when recruiting employees the Company prioritises professional and personal competences in relation to the right candidate for the position. If candidates have a similar level of competences, the candidate whose gender is underrepresented in the management group will be preferred.

Dell A/S has a great focus on diversity hiring, for the year ended 29 January 2016 company has set a target of minimum 25% of all hires should be females and we ended up with 33%. Unfortunately, there is not many hires on management level and the managerial positions were covered by 16% women and 84% men. We will continue our focus on diversity hiring in next financial years.

Accounting Policies

Basis of accounting

The Annual Report of Dell A/S for 2015/2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

With reference to § 86.4 in the Danish Financial Statements Act a cash flow statement has not been prepared and the Company refers to the cash flow statement for the intermediate parent company Denali Holding Inc.

The accounting policies applied remain unchanged from last year.

Recognition and measurement

All revenues are recognised in the income statement as earned based on the following criteria:

- delivery has been made before year end,
- a binding sales agreement has been made,
- the sales price has been determined, and
- payment has been received at the time of sale or may with reasonable certainty be expected to be received.

Based on the above, revenues are recognised in the income statement as earned, which includes recognition of value adjustments of financial assets and liabilities measured at fair value or amortised cost. Furthermore, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any deductions and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation of foreign currencies

During the year transactions in foreign currencies are translated at the rate of exchange as at the transaction date. Realised and unrealised exchange rate adjustments are included in the income statement under financial items.

Debtors, liabilities and other items in foreign currencies which are unsettled on the balance sheet date are translated at the exchange rate as at the balance sheet date. Realised and unrealised exchange rate adjustments are included in the income statement under financial items.

Corporation tax and deferred tax

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity entries is recognised directly in equity. Any share of the tax reported in the income statement arising from profit/loss on extraordinary activities for the year is attributed to such activities, whereas the remaining share is attributed to profit/loss on ordinary activities for the year.

Current tax liabilities and current tax receivable are recognised in receivables in the balance sheet in the event of overpayment of tax on account, and in debt in the event of underpayment of tax on account.

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning items where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Income Statement

Revenue

The revenue consists of commission received on invoiced sales and revenue from sale of locally procured products.

Commission received on invoiced sales and revenue from sale of locally procured products is recognised in the income statement provided that delivery and transfer of risk have been made to the purchaser by year end. Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Cost of goods sold

Costs of goods sold comprise the locally procured products consumed to achieve the revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, travel as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Depreciation and impairment losses

Depreciation and impairment losses comprise depreciation and impairment of tangible assets as well as gains and losses from current replacement of fixed assets.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised exchange adjustments, as well as extra payments and repayment under the on-account taxation scheme.

Balance sheet

Tangible fixed assets

Other fixtures, fittings and equipment are valued at cost less accumulated depreciation.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures, fitting and equipment	2-5 years
Leasehold improvements	5 years

Gains and losses on current replacement of property, plant and equipment are recognised in “Depreciation and impairment loss”.

New acquisitions costing less than USD 1,000, which is approximately DKK 5,000 are expensed.

Impairment of fixed assets

The carrying amounts of tangible assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation. If so, the asset is written down to its lower recoverable amount. The recoverable amount of the asset is calculated as the higher of net selling price and value in use.

Receivables

Receivables are recognised in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Prepayments

Prepayments include expenses incurred in respect of subsequent financial years. Such expenses are typically prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity***Dividend***

Dividend is recognised as a liability at the time of adoption at the Annual General Meeting. Dividend expected to be distributed for the year is disclosed as a separate equity item.

Debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Financial highlights

The financial highlights have been calculated as follows:

Gross margin	=	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	=	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on net assets	=	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	=	$\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$
Return on equity	=	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$

Income Statement 31 January 2015 - 29 January 2016

	<u>Notes</u>	<u>2015/2016</u> DKK	<u>2014/2015</u> DKK
Revenue	1	272 968 910	315 377 556
Cost of goods sold		9 757 014	8 373 142
Other external expenses		96 152 175	98 576 817
Gross profit/(loss)		<u>167 059 721</u>	<u>208 427 597</u>
Staff expenses	2	152 785 028	191 623 777
Depreciation and impairment loss	3	1 222 195	1 613 358
Profit/(loss) before financial income and expenses		<u>13 052 498</u>	<u>15 190 462</u>
Financial income	4	655 659	1 233 056
Financial expenses	5	1 026 559	1 519 969
Profit/(loss) before tax		<u>12 681 598</u>	<u>14 903 549</u>
Tax on profit/(loss) for the year	6	(3 104 611)	(3 839 275)
Net profit/(loss) for the year		<u>9 576 987</u>	<u>11 064 275</u>
Distribution of profit/(loss)			
		<u>2015/2016</u>	<u>2014/2015</u>
Proposed distribution of profit/(loss)			
Proposed dividend for the year		0	0
Retained profit/(loss)		9 576 987	11 064 275
		<u>9 576 987</u>	<u>11 064 275</u>

Assets

	Notes	29-Jan-16 DKK	30-Jan-15 DKK
<i>Other fixtures, fittings and equipment</i>		3 109 858	2 144 980
<i>Leasehold improvements</i>		449 963	344 913
<i>Tangible fixed assets</i>	7	3 559 821	2 489 893
<i>Fixed assets</i>		3 559 821	2 489 893
<i>Trade receivables</i>		5 800 625	897 151
<i>Receivables from group enterprises</i>		142 744 684	169 298 227
<i>Other receivables</i>		39 844	87 110
<i>Corporation tax</i>	6	799 588	1 664 042
<i>Deferred tax asset</i>	8	179 158	267 896
<i>Prepayments</i>		1 314 856	1 553 133
<i>Receivables</i>		150 878 755	173 767 558
<i>Cash at bank and in hand</i>		8 451 697	10 562 356
<i>Current assets</i>		159 330 452	184 329 914
<i>Assets</i>		162 890 273	186 819 807

Liabilities and equity

	Notes	29-Jan-16 DKK	30-Jan-15 DKK
<i>Share capital</i>		500 000	500 000
<i>Retained profit/(loss)</i>		32 515 799	22 938 812
<i>Equity</i>	9	33 015 799	23 438 812
<i>Trade payables</i>		21 116 346	32 730 408
<i>Payables to group enterprises</i>		54 186 552	66 620 141
<i>Other payables</i>	10	54 571 576	64 030 446
<i>Short-term debt</i>		129 874 474	163 380 995
<i>Debt</i>		129 874 474	163 380 995
<i>Liabilities and equity</i>		162 890 273	186 819 807
<i>Contractual obligations</i>	11		
<i>Fee to auditors appointed at the general meeting</i>	12		
<i>Related parties and ownership</i>	13		

1 Revenue

The distribution of revenue on activities is specified as follows:

	<u>2016/2015</u>	<u>2015/2014</u>
	DKK	DKK
Commission	202 929 787	239 375 185
Sale of locally procured products	0	3 055
Recharge of marketing expenses	54 390 254	57 794 736
Services provided	11 413 243	10 169 656
Third party maintenance recharge, other	4 235 626	8 034 925
	<u>272 968 910</u>	<u>315 377 556</u>

Revenue relates to the nordic market.

2 Staff expenses

Staff expenses amount to the following:

	<u>2016/2015</u>	<u>2015/2014</u>
	DKK	DKK
Wages and salaries	141 208 913	175 366 242
Pensions	11 752 821	13 799 052
Other social security expenses	(176 706)	2 458 482
	<u>152 785 028</u>	<u>191 623 777</u>

including remuneration to the Executive Board of:

	<u>2016/2015</u>	<u>2015/2014</u>
	DKK	DKK
Executive Board	2 031 793	1 902 408

	<u>2016/2015</u>	<u>2015/2014</u>
Average number of employees	199	242

3 Depreciation and impairment loss

Depreciation and impairment loss is specified as follows:	<u>2016/2015</u>	<u>2015/2014</u>
	DKK	DKK
Depreciation and impairment loss on tangible fixed assets	1 212 083	1 606 053
(Profit)/loss tangible fixed assets	10 112	7 305
	<u>1 222 195</u>	<u>1 613 358</u>

4 Financial income

Financial income is specified as follows:	<u>2016/2015</u>	<u>2015/2014</u>
	DKK	DKK
Interest received from group enterprises	37 190	1 227 462
Exchange rate differences	602 925	0
Other financial income	15 544	5 594
	<u>655 659</u>	<u>1 233 056</u>

5 Financial expenses

Financial expenses are specified as follows:	<u>2016/2015</u>	<u>2015/2014</u>
	DKK	DKK
Interest paid to group enterprises	117 180	22 561
Other financial expenses	255 495	306 894
Exchange rate differences	653 884	1 190 514
	<u>1 026 559</u>	<u>1 519 969</u>

6 Tax on profit/(loss) for the year

The corporation tax expensed is specified as follows:	<u>2016/2015</u>	<u>2015/2014</u>
	DKK	DKK
Current tax for the year	3 015 876	3 422 302
Deferred tax for the year	85 337	420 374
Current tax Adjustment concerning previous years	3 398	(3 401)
Total tax for the year	<u>3 104 611</u>	<u>3 839 275</u>

During the year DKK 3,815,460 has been prepaid as tax on account. Tax overpayment for current year is in amount of DKK -799,588.

7 Tangible fixed assets

Investments in and depreciation of tangible fixed assets are specified as follows:

	<i>Fixtures, fittings and equipment</i>	<i>Leasehold improvements</i>
	<u>DKK</u>	<u>DKK</u>
Cost at 30 January 2015	13 234 077	2 300 460
Additions for the year	2 034 594	257 529
Disposals for the year	745 090	0
Cost at 29 January 2016	<u>14 523 581</u>	<u>2 557 989</u>
Depreciation and impairment loss at 30 January 2015	11 089 096	1 955 547
Depreciation and impairment loss for the year	1 059 604	152 479
Reversal of depreciation and impairment loss	734 978	0
Depreciation and impairment loss at 29 January 2016	<u>11 413 722</u>	<u>2 108 026</u>
Carrying amount at 29 January 2016	<u>3 109 859</u>	<u>449 963</u>

8 Deferred tax

Deferred tax is specified as follows:	<u>29-Jan-16</u> DKK	<u>30-Jan-15</u> DKK
Tangible fixed assets	179 158	267 896
	<u>179 158</u>	<u>267 896</u>

Deferred tax has been provided based on 22 % of timing differences between carrying values and value for tax purposes.

9 Equity

Movements in the equity are specified as follows:

	<i>Share capital</i>	<i>Retained profit/(loss)</i>	<i>Total</i>
Equity at 31 January 2015	500 000	22 938 812	23 438 812
Dividend paid out	0		
Profit/(loss) for the year	0	9 576 987	9 576 987
Equity at 29 January 2016	<u>500 000</u>	<u>32 515 799</u>	<u>33 015 799</u>

The share capital consists of 500 shares of a nominal value of DKK 1,000. No shares carry any special rights.

There have not been movements on the share capital since the establishment of the Company.

10 Other payables

Other payables are specified as follows:	<u>29-Jan-16</u>	<u>30-Jan-15</u>
	DKK	DKK
Owed payroll and bonus	18 134 543	25 951 587
Owed value-added tax	3 927 128	3 837 524
Owed personal income taxes, etc	2 459 389	3 580 525
Other Employee costs	391 118	0
Accrued holiday pay	28 872 380	30 449 922
Miscellaneous	787 018	210 888
	<u>54 571 576</u>	<u>64 030 447</u>

11 Contractual obligations

The company has assumed rental and lease commitments which at the balance sheet date total DKK 14,510 thousands in the period of non-terminability. The rental and lease agreements are non-terminable for a period of up to 12 months.

	<u>2016/2015</u>	<u>2015/2014</u>
	DKK	DKK
12 Fee to auditors appointed at the general meeting		
Audit fee	195 149	204 656
Other Services	6 100	5 800

The remuneration to auditors is managed and paid by the group.

13 Related parties and ownership

Controlling interest

Dell International LLC
2711 Centerville Road
Suite 400
Wilmington
DE 19808
USA

Controlling shareholder

Denali Holding Inc.
2711 Centerville Road
Suite 400
Wilmington
DE 19808
USA

*Controlling shareholder in
Dell International LLC*

Ownership

*The following shareholders are recorded in the
Company's register of shareholders as holding at least
5% of the votes or at least 5% of the share capital:*

Dell International LLC
2711 Centerville Road
Suite 400
Wilmington
DE 19808
USA

Group Annual Report

The Company is included in the Group Annual Report of Denali Holding Inc.

A copy of the Group Annual Report can be obtained from 2711 Centerville Road, Suite 400, Wilmington, DE19808, USA.

Chairman of the board

Directors

Henrik Fogelstrøm Thomsen

Lars Baun

Janet B. Wright