

DELL COMPUTER CORP
Form 11-K
April 01, 2002

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

**FORM 11-K
ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the Fiscal Year Ended December 31, 2001

Commission File Number: 333-69724

DELL COMPUTER CORPORATION DEFERRED COMPENSATION PLAN
(Full title of the Plan)

DELL COMPUTER CORPORATION
(Name of issuer of the securities held pursuant to the Plan)

807 Las Cimas Parkway
Austin, Texas 78746
(Address of issuer's principal executive offices and address of the Plan)

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Report of Independent Accountants

To the Participants and Compensation Committee
of the Dell Computer Corporation Deferred Compensation Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Dell Computer Corporation Deferred Compensation Plan (the Plan) at December 31, 2001 and 2000, and the changes in net assets available for benefits for the years ended December 31, 2001, 2000 and 1999, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the accompanying index present fairly, in all material respects, the information required to be set forth therein when read in conjunction with the financial statements. These financial statements and financial statement schedules are the responsibility of the Company s management; our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which 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.

/s/ PricewaterhouseCoopers LLP

Austin, Texas
March 8, 2002

The accompanying notes are an integral part of these financial statements

Table of Contents**Dell Computer Corporation Deferred Compensation Plan****Statements of Net Assets Available for Benefits (in thousands)**

| | December 31, | |
|--|-------------------|-------------------|
| | 2001 | 2000 |
| | <u> </u> | <u> </u> |
| ASSETS | | |
| Cash and cash equivalents | \$ | \$ 6 |
| Investments: | | |
| Dell Computer Corporation money market investments | 301 | 301 |
| Dell Computer Corporation common stock | 2,886 | 3,503 |
| Registered investment funds | 26,926 | 29,861 |
| | <u> </u> | <u> </u> |
| Total Investments | 30,113 | 33,665 |
| Contributions receivable | 2,497 | 3,684 |
| Interest receivable | | 25 |
| | <u> </u> | <u> </u> |
| Total Assets | 32,610 | 37,380 |
| | <u> </u> | <u> </u> |
| LIABILITIES | | |
| Accrued administrative expenses | 17 | 127 |
| | <u> </u> | <u> </u> |
| Total Liabilities | 17 | 127 |
| | <u> </u> | <u> </u> |
| NET ASSETS AVAILABLE FOR BENEFITS | \$32,593 | \$37,253 |
| | <u> </u> | <u> </u> |

The accompanying notes are an integral part of these financial statements

Table of Contents**Dell Computer Corporation Deferred Compensation Plan****Statements of Changes in Net Assets Available for Benefits (in thousands)**

| | For the Year Ended December 31, | | |
|--|---------------------------------|-----------|-----------|
| | 2001 | 2000 | 1999 |
| ADDITIONS: | | | |
| Additions to net assets attributed to: | | | |
| Investment income: | | | |
| Interest and dividends | \$ 1,057 | \$ 3,483 | \$ 1,200 |
| Realized net gain on sales of investments | | 590 | 887 |
| Unrealized net appreciation of investments | 1,161 | | 4,803 |
| Net Investment Income | 2,218 | 4,073 | 6,890 |
| Contributions: | | | |
| Participant contributions | 8,529 | 10,329 | 6,634 |
| Employer contributions | 264 | 309 | 472 |
| Total Contributions | 8,793 | 10,638 | 7,106 |
| Total Additions | 11,011 | 14,711 | 13,996 |
| DEDUCTIONS: | | | |
| Withdrawals | (15,248) | (519) | (417) |
| Realized net loss on sales of investments | (360) | | |
| Unrealized net depreciation of investments | | (9,752) | |
| Administrative expenses | (63) | (132) | (126) |
| Total Deductions | (15,671) | (10,403) | (543) |
| Net (decrease) increase | (4,660) | 4,308 | 13,453 |
| NET ASSETS AVAILABLE FOR BENEFITS: | | | |
| Beginning of year | 37,253 | 32,945 | 19,492 |
| End of year | \$ 32,593 | \$ 37,253 | \$ 32,945 |

The accompanying notes are an integral part of these financial statements

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Dell Computer Corporation Deferred Compensation Plan

Notes to Financial Statements

Note 1 DESCRIPTION OF THE PLAN

General - Dell Computer Corporation (the Company, Plan Sponsor) adopted the Dell Computer Corporation Deferred Compensation Plan as Amended and Restated effective January 1, 2001 (the Plan). The following brief description of the Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

The Plan is a non-qualified, deferred compensation plan. The Plan is open to employees at the Director, Vice President, President and CEO levels. Participation in the Plan is at the election of the employee. The Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974.

Employee 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. In 2001, 2000 and 1999, eligible participants were able to contribute 1% to 50% of their eligible compensation plus 1% to 100% of any annual bonus, in whole percentages. All contributions and account balances are subject to creditors of the Company in the event of the Company's bankruptcy.

Employer Contributions - The Company may credit a participant's account with an amount, if any, which the Company in its sole discretion shall determine. Such credits may be made on behalf of some participants but not others, and such credits may vary in amount among individual participants. Employer contributions are made according to each participant's fund elections. During 2001, 2000 and 1999, employer matching contributions were 3% of eligible compensation for all participants, subject to legally imposed maximum employer match limits. Neither participant nor Company contributions are required to be invested in the Dell Computer Corporation Stock Fund.

Participant Terminations - Matching contributions forfeited by unvested terminated participants may be used by the Company to offset future matching contributions. At December 31, 2001 and 2000, there were no forfeited non-vested account balances outstanding. Forfeitures used to reduce employer matching contributions during 2001, 2000 and 1999 were \$155,000, \$7,214 and \$9,850, respectively.

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. In the event of Plan termination, participants will become 100% vested in their accounts.

Number of Participants - The number of participants in the Plan at December 31, 2001 and 2000, were 102 and 133 participants, respectively.

Vesting - Participants are immediately vested in their contributions and earnings. A participant vests 20% in employer matching contributions after one year of service and 20% annually thereafter. If a participant is re-employed before a five-year break in service has occurred, the participant's vesting will continue as if the break in service had not occurred.

Administration - Plan assets are held in trust by Chase Manhattan Bank (the Trustee). The financial records of the plan are maintained by a third-party record keeper, Hewitt Services LLC (Hewitt). Hewitt replaced Automatic Data Processing, Inc. (ADP) as record keeper for the Plan in 2001. The conversion of the Plan's assets from ADP to Hewitt became effective on January 4, 2001. Administrative expenses are primarily paid by the participants of the Plan and are allocated to participant accounts ratably based on fund balances.

Table of Contents**Dell Computer Corporation Deferred Compensation Plan
Notes to Financial Statements**

Grantor Trust The Company established a Grantor (Rabbi) Trust in March 1997. The Trust shall be governed by and subject to the terms of a trust agreement entered into between the Company, as Grantor, and the Trustee.

Participant Accounts - Each participant account is credited with the participant's contribution and allocations of the Company's contribution and Plan earnings offset by Plan administrative expenses. Each day, the Trustee calculates earnings and allocates gains and losses to each participant's account. The benefit to which a participant is entitled is limited to the participant's vested account balance.

Investment Options - Participants may direct their account balance and future contributions to any combination of twelve pre-approved funds. Participants can transfer the current balance of employee contributions among the investment options or change the direction of their future contributions daily.

The following table sets forth information specific to each investment option under the Plan:

| Investment Option | Description | Number of Participants at December 31, | |
|---------------------------------|-------------------------|--|------|
| | | 2001 | 2000 |
| Dodge & Cox Stock | Large-Cap Value | 74 | 80 |
| PIMCO Total Return | Fixed Income | 51 | 38 |
| Dodge & Cox Balanced | Equity and Fixed Income | 64 | 49 |
| Primco Stable Value | Stable Value | 74 | |
| American Euro Pacific Growth | International Equity | 58 | 73 |
| Invesco Small Company Growth | Small-Cap Growth | 46 | |
| Neuberger Berman Genesis | Small-Cap Value | 52 | 54 |
| Janus Growth & Income | Large-Cap Growth | 27 | |
| Barclays S&P 500 Index | Equity Index | 21 | |
| Dell Computer Corporation Stock | Company Stock | 39 | 67 |
| STIF Money Market | Money Market | | 89 |
| PBHG Growth | Mid Cap | | 52 |

During 2001, the Plan established the Primco Stable Value Fund (Primco Fund). The Primco Fund invests in synthetic investment contracts (SICs) and cash equivalents. SICs are contracts, referred to as wrappers , with banks or insurance companies that guarantee a certain interest rate and underlying value on a portfolio of assets held by the plan. Participant-directed transactions, such as withdrawals, are made at contract value rather than at the fair value of the underlying assets.

Tax Status All income, deductions and credits under the Plan belong to the Plan Sponsor, the Company, for income tax purposes and will be included on the Plan Sponsor's income tax returns. The Plan Sponsor pays any federal, state and local taxes on the Plan, or any part thereof, and on the income therefrom. Participants are not taxed on their benefits until withdrawn from the Plan.

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**Dell Computer Corporation Deferred Compensation Plan
Notes to Financial Statements**

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements of the Plan are prepared under the accrual method of accounting, in accordance with generally accepted accounting principles.

Use of Estimates - The preparation of financial statements in accordance with generally accepted accounting principles requires the use of management's estimates. These estimates are subjective in nature and involve judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at fiscal year end and the reported amounts of additions and deductions during the fiscal year. Actual results could differ from those estimates.

Risks and Uncertainties Financial instruments which potentially subject the Plan to concentrations of credit risk consist primarily of securities in which the Plan invests. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the near-term could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

Cash and Cash Equivalents The Plan considers all liquid investments with original maturities of three months or less to be classified as cash equivalents. Cash equivalents are stated at cost, which approximates market value.

Investments With the exception of the Primco Fund, all investments are recorded at acquisition cost on a trade-date basis, which includes brokerage commissions, and are revalued each business day based upon quoted market prices.

As described in Note 1, the Primco Fund includes a SIC. The SIC in the Primco Fund is fully benefit-responsive and is therefore recorded at contract value. Contract value represents contributions made under the contract plus accrued interest at the guaranteed rate less funds used to pay for plan distributions and expenses.

The Plan presents, in the statement of changes in net assets available for benefits, the net appreciation or depreciation in the fair value of investments which consists of realized gains and losses and the unrealized appreciation or depreciation on those investments. Net unrealized appreciation or depreciation is determined based on the difference between average cost of the investments and the market value as of each valuation date of such investment. Average cost is determined based on the weighted average cost of all investments purchased less any dispositions during the plan year.

The fair value of the SIC represents the combined fair value of the underlying assets as well as the fair value of the related wrapper contract. The wrapper contract is valued as the difference between the contract value of the SIC and the fair value of the underlying assets.

Distributions - Plan distributions are recorded when paid.

Reclassifications Certain prior year amounts have been reclassified to conform to current year presentation.

Table of Contents**Dell Computer Corporation Deferred Compensation Plan
Notes to Financial Statements****Note 3 INVESTMENTS:**

The following presents investments that represent 5% or more of the Plan's net assets (in thousands):

| | December 31, | |
|--------------------------------------|---------------------|-------------|
| | 2001 | 2000 |
| Dodge & Cox Stock Fund | \$5,956 | \$8,202 |
| PIMCO Total Return Fund | 2,530 | 2,471 |
| Dodge & Cox Balanced Fund | 2,646 | 2,809 |
| Primco Stable Value Fund | 5,688 | |
| American Euro Pacific Growth Fund | 5,264 | 8,388 |
| Neuberger Berman Genesis Fund | 2,740 | 1,991 |
| Dell Computer Corporation Stock Fund | 3,187 | 3,503 |
| STIF Money Market Fund | | 4,485 |

Registered investment fund costs at December 31, 2001 and 2000 were approximately \$27,360,000 and \$29,227,000 respectively. Dell Computer Corporation Stock Fund costs at December 31, 2001 and 2000 were approximately \$3,292,000 and \$6,138,000, respectively.

The assets underlying the SIC in the Primco Fund are comprised of cash equivalents and mutual funds with fair values of \$5,084,000 at December 31, 2001. The contract value of the SIC at December 31, 2001 was \$5,078,000. The Primco Fund held cash equivalents of \$610,000 at December 31, 2001. There was no valuation reserve against the Fund's SIC at December 31, 2001.

The interest crediting rate on the SIC is reset quarterly based on the yield to maturity and expected cash flow over the life of the related supporting assets. The SIC has a minimum guarantee on all rate resets of not less than zero percent. At December 31, 2001, the interest crediting rate on the SIC was 2.2%.

For the year ended December 31, 2001, the aggregate average annual yield for the SIC in the Primco Fund was 3.24%. There are no restrictions on participant withdrawals from the Primco Fund. Certain withdrawals not deemed to be participant initiated and not in compliance with the contract's provisions are subject to certain penalties.

Table of Contents**Dell Computer Corporation Deferred Compensation Plan
Notes to Financial Statements****Note 4 REALIZED NET GAINS OR LOSSES ON INVESTMENTS (in thousands):**

The schedule below illustrates net realized gains and losses on sale of investments by investment type:

| | <u>Proceeds</u> | <u>Cost</u> | <u>Realized Net Gains/ (Losses)</u> |
|---|-------------------|-------------------|---|
| For the year ended December 31, 2001 | | | |
| Dell Computer Corporation Stock Fund | \$ 5,826 | \$ 6,458 | \$(632) |
| Registered investment funds | 32,695 | 32,423 | 272 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total | \$38,521 | \$38,881 | \$(360) |
| | <u> </u> | <u> </u> | <u> </u> |
| For the year ended December 31, 2000 | | | |
| Dell Computer Corporation Stock Fund | \$ 6,601 | \$ 6,152 | \$ 449 |
| Registered investment funds | 10,564 | 10,423 | 141 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total | \$17,165 | \$16,575 | \$ 590 |
| | <u> </u> | <u> </u> | <u> </u> |
| For the year ended December 31, 1999 | | | |
| Dell Computer Corporation Stock Fund | \$ 4,577 | \$ 3,849 | \$ 728 |
| Registered investment funds | 2,756 | 2,597 | 159 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total | \$ 7,333 | \$ 6,446 | \$ 887 |
| | <u> </u> | <u> </u> | <u> </u> |

Note 5 UNREALIZED NET APPRECIATION OR DEPRECIATION OF INVESTMENTS (in thousands):

The schedule below illustrates total unrealized net appreciation or depreciation of investments by investment type:

| | For the period ended December 31, | | |
|---|--|-------------------|-------------------|
| | 2001 | 2000 | 1999 |
| Unrealized net appreciation (depreciation) at the beginning of the period: | | | |
| Dell Computer Corporation Stock Fund | \$(2,334) | \$ 3,878 | \$2,676 |
| Registered investment funds | 634 | 4,174 | 573 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total | \$(1,700) | \$ 8,052 | \$3,249 |
| | <u> </u> | <u> </u> | <u> </u> |
| Unrealized net appreciation (depreciation) for the period: | | | |
| Dell Computer Corporation Stock Fund | \$ 2,229 | \$(6,212) | \$1,202 |
| Registered investment funds | (1,068) | (3,540) | 3,601 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total | \$ 1,161 | \$(9,752) | \$4,803 |
| | <u> </u> | <u> </u> | <u> </u> |
| Unrealized net appreciation (depreciation) at the end of the period: | | | |
| Dell Computer Corporation Stock Fund | \$ (105) | \$(2,334) | \$3,878 |
| Registered investment funds | (434) | 634 | 4,174 |

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| | | | |
|--------------|-----------------|-------------------|-----------------|
| Total | <u>\$ (539)</u> | <u>\$ (1,700)</u> | <u>\$ 8,052</u> |
|--------------|-----------------|-------------------|-----------------|

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**Dell Computer Corporation Deferred Compensation Plan
Schedule I Plan Investments at December 31, 2001 (in thousands)**

Financial Statement Schedules

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Table of Contents**Dell Computer Corporation Deferred Compensation Plan****Schedule I Plan Investments at December 31, 2001 (in thousands)**

| | <u>Shares Held</u> | <u>Market Value</u> |
|--|--------------------|---------------------|
| Dodge & Cox Stock Fund | 59,261 | \$ 5,956 |
| PIMCO Total Return Fund | 241,889 | 2,530 |
| Dodge & Cox Balanced Fund | 40,442 | 2,646 |
| American Euro Pacific Growth Fund | 195,920 | 5,264 |
| Invesco Small Company Growth Fund | 92,183 | 1,119 |
| Neuberger Berman Genesis Fund | 94,110 | 2,740 |
| Barclays S&P 500 Index Fund | 33,074 | 576 |
| Janus Growth & Income Fund | 13,567 | 407 |
| Dell Computer Corporation Stock Fund Dell Stock | 106,193 | 2,886 |
| Dell Computer Corporation Stock Fund Money Market | 300,651 | 301 |
| Primco Stable Value Fund: | | |
| UBS AG Synthetic Contract Wrapper #5097, 2.19% | | (6) |
| Invesco Omicron Fund | 499,484 | 5,084 |
| STIF Money Market Fund | 609,684 | 610 |
| | | <u>5,688</u> |
| Total | | <u>\$30,113</u> |

Table of Contents**Dell Computer Corporation Deferred Compensation Plan****Schedule II Allocation of Assets and Liabilities to Investment Program
As of December 31, 2001 (in thousands)**

| | Dodge & Cox Stock Fund | PIMCO Total Return Fund | Dodge & Cox Balanced Fund | Primco Stable Value Fund | American Euro Pacific Growth Fund | Invesco Small Company Growth Fund | Neuberger Berman Genesis Fund | Janus Growth & Income Fund | Barclays S&P 500 Index Fund | Dell Computer Corporation Stock Fund | Total |
|--|---------------------------------|----------------------------------|------------------------------------|-----------------------------------|---|---|--|--|---|--|------------------|
| ASSETS | | | | | | | | | | | |
| Investments: | | | | | | | | | | | |
| Dell Computer Corporation money market investments | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ 301 | \$ 301 |
| Dell Computer Corporation common stock | | | | | | | | | | 2,886 | 2,886 |
| Registered investment funds | 5,956 | 2,530 | 2,646 | 5,688 | 5,264 | 1,119 | 2,740 | 407 | 576 | | 26,926 |
| Total Investments | 5,956 | 2,530 | 2,646 | 5,688 | 5,264 | 1,119 | 2,740 | 407 | 576 | 3,187 | 30,113 |
| Contributions receivable | 494 | 212 | 224 | 472 | 433 | 93 | 225 | 33 | 50 | 261 | 2,497 |
| Total Assets | 6,450 | 2,742 | 2,870 | 6,160 | 5,697 | 1,212 | 2,965 | 440 | 626 | 3,448 | 32,610 |
| LIABILITIES | | | | | | | | | | | |
| Accrued administrative expenses | 3 | 2 | 2 | 4 | 2 | 1 | 1 | | | 2 | 17 |
| Total Liabilities | 3 | 2 | 2 | 4 | 2 | 1 | 1 | | | 2 | 17 |
| NET ASSETS AVAILABLE FOR BENEFITS | \$ 6,447 | \$ 2,740 | \$ 2,868 | \$ 6,156 | \$ 5,695 | \$ 1,211 | \$ 2,964 | \$ 440 | \$ 626 | \$ 3,446 | \$ 32,593 |

Table of Contents**Dell Computer Corporation Deferred Compensation Plan****Schedule II Allocation of Assets and Liabilities to Investment Program
As of December 31, 2000 (in thousands)**

| | Dodge & Cox Stock Fund | PIMCO Total Return Fund | Dodge & Cox Balanced Fund | STIF Money Market Fund | American Euro Pacific Growth Fund | PBHG Growth Fund | Neuberger Berman Genesis Fund | Dell Computer Corporation Stock Fund | Total |
|---|---|--|--|---|--|---------------------------------|--|---|-----------------|
| ASSETS | | | | | | | | | |
| Cash and cash equivalents | \$ 6 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ 6 |
| Investments: | | | | | | | | | |
| Dell Computer Corporation money market investments | | | | | | | | 301 | 301 |
| Dell Computer Corporation common stock | | | | | | | | 3,503 | 3,503 |
| Registered investment funds | 8,202 | 2,471 | 2,809 | 4,485 | 8,388 | 1,515 | 1,991 | | 29,861 |
| Total Investments | 8,202 | 2,471 | 2,809 | 4,485 | 8,388 | 1,515 | 1,991 | 3,804 | 33,665 |
| Contributions receivable | 896 | 272 | 308 | 495 | 913 | 165 | 218 | 417 | 3,684 |
| Interest receivable | | | | 23 | | | | 2 | 25 |
| Total Assets | 9,104 | 2,743 | 3,117 | 5,003 | 9,301 | 1,680 | 2,209 | 4,223 | 37,380 |
| LIABILITIES | | | | | | | | | |
| Accrued administrative expenses | 53 | 5 | 10 | 4 | 46 | 2 | 2 | 5 | 127 |
| Total Liabilities | 53 | 5 | 10 | 4 | 46 | 2 | 2 | 5 | 127 |
| NET ASSETS AVAILABLE FOR BENEFITS | \$ 9,051 | \$ 2,738 | \$ 3,107 | \$ 4,999 | \$ 9,255 | \$ 1,678 | \$ 2,207 | \$ 4,218 | \$37,253 |

Table of Contents**Dell Computer Corporation Deferred Compensation Plan****Schedule III Allocation of Income and Changes in Plan Equity to Investment Program
For the Year Ended December 31, 2001 (in thousands)**

| | Dodge & Cox Stock Fund | PIMCO Total Return Fund | Dodge & Cox Balanced Fund | STIF Money Market Fund | Primco Stable Value Fund | American Euro Pacific Growth Fund | PBHG Growth Fund | Invesco Small Company Growth Fund | Neuberger Berman Genesis Fund | Janus Growth & Income Fund | Barclays S&P 500 Index Fund | Dell Computer Corporation Stock Fund | Total |
|--|---------------------------------|----------------------------------|------------------------------------|---------------------------------|-----------------------------------|---|------------------------|---|--|--|---|--|----------|
| ADDITIONS: | | | | | | | | | | | | | |
| Additions to net assets attributed to: | | | | | | | | | | | | | |
| Investment income: | | | | | | | | | | | | | |
| Interest and dividends | \$ 305 | \$ 232 | \$ 159 | \$ | \$ 114 | \$ 125 | \$ | \$ | \$ 73 | \$ 2 | \$ 37 | \$ 10 | \$ 1,057 |
| Unrealized appreciation (depreciation) of investments | 53 | (23) | 103 | | 66 | (777) | | (176) | (231) | (20) | (63) | 2,229 | 1,161 |
| Net Investment Income | 358 | 209 | 262 | | 180 | (652) | | (176) | (158) | (18) | (26) | 2,239 | 2,218 |
| Contributions: | | | | | | | | | | | | | |
| Participant contributions | 1,169 | 877 | 1,189 | | 2,147 | 993 | | 326 | 877 | 133 | 209 | 609 | 8,529 |
| Employer contributions | 22 | 47 | (17) | | 72 | 48 | | 14 | 29 | 20 | 10 | 19 | 264 |
| Total Contributions | 1,191 | 924 | 1,172 | | 2,219 | 1,041 | | 340 | 906 | 153 | 219 | 628 | 8,793 |
| Total Additions | 1,549 | 1,133 | 1,434 | | 2,399 | 389 | | 164 | 748 | 135 | 193 | 2,867 | 11,011 |
| DEDUCTIONS: | | | | | | | | | | | | | |
| Withdrawals | (4,073) | (1,303) | (1,449) | | (3,742) | (2,259) | | (367) | (637) | (2) | (6) | (1,410) | (15,248) |
| Realized gains (losses) on sale of investments | 245 | 63 | (11) | | 23 | (346) | | (112) | 425 | (9) | (6) | (632) | (360) |
| Administrative expenses | 10 | (18) | (8) | | (34) | 18 | | (3) | (8) | 1 | (2) | (19) | (63) |
| Total Deductions | (3,818) | (1,258) | (1,468) | | (3,753) | (2,587) | | (482) | (220) | (10) | (14) | (2,061) | (15,671) |
| Net increase (decrease) in net assets prior to interfund transfers | (2,269) | (125) | (34) | | (1,354) | (2,198) | | (318) | 528 | 125 | 179 | 806 | (4,660) |
| Interfund transfers | (335) | 127 | (205) | (4,999) | 7,510 | (1,362) | (1,678) | 1,529 | 229 | 315 | 447 | (1,578) | |
| Net Increase (decrease) | (2,604) | 2 | (239) | (4,999) | 6,156 | (3,560) | (1,678) | 1,211 | 757 | 440 | 626 | (772) | (4,660) |
| NET ASSETS AVAILABLE | | | | | | | | | | | | | |

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FOR BENEFITS:

| | | | | | | | | | | | | | |
|-------------------|----------|----------|----------|-------|----------|----------|-------|----------|----------|--------|--------|----------|-----------|
| Beginning of year | 9,051 | 2,738 | 3,107 | 4,999 | | 9,255 | 1,678 | | 2,207 | | | 4,218 | 37,253 |
| End of year | \$ 6,447 | \$ 2,740 | \$ 2,868 | | \$ 6,156 | \$ 5,695 | \$ | \$ 1,211 | \$ 2,964 | \$ 440 | \$ 626 | \$ 3,446 | \$ 32,593 |

Table of Contents**Dell Computer Corporation Deferred Compensation Plan****Schedule III Allocation of Income and Changes in Plan Equity to Investment Program
For the Year Ended December 31, 2000 (in thousands)**

| | Dodge & Cox Stock Fund | PIMCO Total Return Fund | Dodge & Cox Balanced Fund | STIF Money Market Fund | American Euro Pacific Growth Fund | PBHG Growth Fund | Neuberger Berman Genesis Fund | Dell Computer Corporation Stock Fund | Total |
|---|---|--|--|---|--|---------------------------------|--|---|--------------|
| Additions: | | | | | | | | | |
| Additions to net assets attributed to: | | | | | | | | | |
| Investment income: | | | | | | | | | |
| Interest and dividends | \$ 1,366 | \$ 125 | \$ 444 | \$ 227 | \$ 928 | \$ 264 | \$ 109 | \$ 20 | \$ 3,483 |
| Realized gains (losses) on investments | 60 | (1) | (12) | | 172 | (96) | 18 | 449 | 590 |
| Net Investment Income | 1,426 | 124 | 432 | 227 | 1,100 | 168 | 127 | 469 | 4,073 |
| Contributions: | | | | | | | | | |
| Participant contributions | 2,044 | 747 | 736 | 2,692 | 1,592 | 395 | 753 | 1,370 | 10,329 |
| Employer contributions | 64 | 26 | 22 | 88 | 74 | 9 | 28 | (2) | 309 |
| Total Contributions | 2,108 | 773 | 758 | 2,780 | 1,666 | 404 | 781 | 1,368 | 10,638 |
| Total Additions | 3,534 | 897 | 1,190 | 3,007 | 2,766 | 572 | 908 | 1,837 | 14,711 |
| Deductions: | | | | | | | | | |
| Withdrawals | (163) | (3) | (58) | (128) | (94) | (35) | (6) | (32) | (519) |
| Unrealized appreciation (depreciation) of investments | (303) | 106 | (78) | | (2,863) | (653) | 251 | (6,212) | (9,752) |
| Administrative expenses | (39) | (6) | (10) | (9) | (35) | (7) | (6) | (20) | (132) |
| Total Deductions | (505) | 97 | (146) | (137) | (2,992) | (695) | 239 | (6,264) | (10,403) |
| Net increase in assets prior to interfund transfers | 3,029 | 994 | 1,044 | 2,870 | (226) | (123) | 1,147 | (4,427) | 4,308 |
| Interfund transfers | (376) | 435 | (111) | (948) | (116) | 133 | 312 | 671 | |
| Net Increase (Decrease) | 2,653 | 1,429 | 933 | 1,922 | (342) | 10 | 1,459 | (3,756) | 4,308 |
| Net assets available for benefits: | | | | | | | | | |
| Beginning of year | 6,398 | 1,309 | 2,174 | 3,077 | 9,597 | 1,668 | 748 | 7,974 | 32,945 |
| End of year | \$ 9,051 | \$ 2,738 | \$ 3,107 | \$ 4,999 | \$ 9,255 | \$ 1,678 | \$ 2,207 | \$ 4,218 | \$ 37,253 |

Table of Contents**Dell Computer Corporation Deferred Compensation Plan****Schedule III Allocation of Income and Changes in Plan Equity to Investment Program
For the Year Ended December 31, 1999 (in thousands)**

| | Dodge & Cox Stock Fund | PIMCO Total Return Fund | Dodge & Cox Balanced Fund | STIF Money Market Fund | American Euro Pacific Growth Fund | PBHG Growth Fund | Neuberger Berman Genesis Fund | Dell Computer Corporation Stock Fund | Total |
|--|---|--|--|---|--|---------------------------------|--|---|--------------|
| ADDITIONS: | | | | | | | | | |
| Additions to net assets attributed to: | | | | | | | | | |
| Investment income: | | | | | | | | | |
| Interest and dividends | \$ 455 | \$ 70 | \$ 188 | \$ 85 | \$ 333 | \$ 50 | \$ 4 | \$ 15 | \$ 1,200 |
| Unrealized appreciation (depreciation) of investments | 381 | (64) | (21) | | 2,583 | 670 | 52 | 1,202 | 4,803 |
| Realized gains (losses) on sale of investments | 110 | (8) | 7 | | 46 | (1) | 5 | 728 | 887 |
| Net Investment Income | 946 | (2) | 174 | 85 | 2,962 | 719 | 61 | 1,945 | 6,890 |
| Contributions: | | | | | | | | | |
| Participant contributions | 1,111 | 356 | 441 | 1,372 | 1,123 | 148 | 599 | 1,484 | 6,634 |
| Employer contributions | 71 | 22 | 38 | 124 | 151 | 7 | 29 | 30 | 472 |
| Total Contributions | 1,182 | 378 | 479 | 1,496 | 1,274 | 155 | 628 | 1,514 | 7,106 |
| Total Additions | 2,128 | 376 | 653 | 1,581 | 4,236 | 874 | 689 | 3,459 | 13,996 |
| DEDUCTIONS: | | | | | | | | | |
| Withdrawals | (108) | (1) | (61) | (72) | (11) | | | (164) | (417) |
| Administrative expenses | (39) | (4) | (11) | (12) | (40) | (4) | (2) | (14) | (126) |
| Total Deductions | (147) | (5) | (72) | (84) | (51) | (4) | (2) | (178) | (543) |
| Net increase in assets prior to interfund transfers | 1,981 | 371 | 581 | 1,497 | 4,185 | 870 | 687 | 3,281 | 13,453 |
| Interfund transfers | (475) | (60) | 252 | 353 | 784 | (29) | (305) | (520) | |
| Net Increase | 1,506 | 311 | 833 | 1,850 | 4,969 | 841 | 382 | 2,761 | 13,453 |
| NET ASSETS AVAILABLE FOR BENEFITS: | | | | | | | | | |
| Beginning of year | 4,892 | 998 | 1,341 | 1,227 | 4,628 | 827 | 366 | 5,213 | 19,492 |
| End of year | \$ 6,398 | \$ 1,309 | \$ 2,174 | \$ 3,077 | \$ 9,597 | \$ 1,668 | \$ 748 | \$ 7,974 | \$32,945 |

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SIGNATURES

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

DELL COMPUTER CORPORATION 401(K) PLAN

By: Benefits Administration Committee of the Dell Computer
Corporation Deferred Compensation Plan

Date: April 1, 2002

By: /s/ THOMAS B. GREEN
Thomas B. Green
Chairman of the Benefits
Administration Committee