

Dell Earnings Fall 31 Percent In 4Q

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

Dell Earnings Fall 31 Percent In 4Q

The Associated Press

ROUND ROCK, Texas (AP) — Dell Inc. on Tuesday posted another quarter of declining sales and profits, deepening a downturn that disenchanted shareholders and culminated in the slumping personal computer maker's recent decision to take its stock off Wall Street in a \$24.4 billion deal.

The proposed sale, announced just two weeks ago, diminished the importance of the numbers released Tuesday.

The fourth-quarter report became even less significant when the company canceled CEO Michael Dell's previously scheduled participation on a conference call to discuss the results with analysts. Michael Dell, who founded the company 29 years ago, is leading the buyout, which is facing opposition from two of Dell Inc.'s biggest shareholders.

The company, which is based in Round Rock, Texas, declined to field questions about the deal or the shareholder efforts to wrangle a bid above the currently agreed upon price of \$13.65 per share.

Southeastern Asset Management and T. Rowe Price, the company's two largest shareholders after Michael Dell, have said they will vote against the deal unless the offer is sweetened. The company's board so far has argued that the deal negotiated with Michael Dell and a group of investors led by Silver Lake is a fair one.

If the deal closes, it will end Dell's 25-year history as a publicly traded company. Michael Dell and his backers are betting that the company will be better able to diversify beyond the PC business without having to cater to the stock market's demands for higher profits from one quarter to the next.

Dell's slump stems from weakening demand for PCs as more technology spending shifts toward smartphones and tablet computers.

The most recent quarter showed Dell is still losing ground, although the drop-off wasn't quite as bad as analysts anticipated.

Dell earned \$530 million, or 30 cents per share, for its fiscal fourth quarter, which ended Feb. 1. That was a 31 percent decline from \$764 million, or 43 cents per share, in the quarter a year ago.

Excluding acquisition- and severance-related charges, earnings were 40 cents per share. That was a penny above the average forecast of analysts polled by FactSet.

Revenue totaled \$14.3 billion, down 11 percent from a year ago. It beat analyst expectations at \$14.1 billion.

Dell Earnings Fall 31 Percent In 4Q

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

Dell's stock gained 4 cents to \$13.85 in extended trading after the financial results were released. That's an indication that some investors expect a slightly higher bid for Dell, given the stock is trading 20 cents above the current offer.

Source URL (retrieved on 12/18/2014 - 9:02am):

http://www.impomag.com/news/2013/02/dell-earnings-fall-31-percent-4q?qt-digital_editions=0&qt-recent_content=0