

Dell profit plunges on disappointing sales

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The company, which has slipped to third place in the global PC market, said its profit in the first [fiscal quarter](#) fell to \$635 million.

Revenue in the quarter was \$14.4 billion, a four percent decrease from the same period the previous year.

Dell said however the firm was moving away from its traditional PC base to services.

"We continued to shift the mix of our business during a challenging environment," said Brian Gladden, Dell's chief financial officer.

"Our enterprise solutions and services businesses now account for 50 percent of our gross margin, and we'll continue to make the necessary investments to maintain our progress."

Texas-based Dell, once the biggest PC maker, has fallen to third place behind market leader Hewlett-Packard and Lenovo, and is just barely ahead of fourth place Acer Group.

Dell last month said it was buying Wyse Technology to expand its business offerings in the Internet "cloud" in the face of softening demand for traditional computing hardware.

Last year, Dell said it would halt sales of its Android [tablet computer](#) in the US market, failing to gain traction against rivals such as Amazon's Kindle Fire and Apple's [iPad](#).

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