

# Profits slide, but Dell says new strategy on track

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Dell, one of the major PC manufacturers which has been hurt by a shift

to tablets and other [mobile devices](#), reported net income fell to \$475 million, or 39 cents a share, a penny short of analyst forecasts.

Revenues dipped 11 percent from a year ago to \$13.72 billion, also below expectations.

But Dell said its "enterprise solution strategy" showed positive results with server and networking revenue increasing 11 percent.

"In a difficult global IT spending environment we saw solid proof points that demonstrate progress in our strategy," said Brian Gladden, Dell's [chief financial officer](#).

"A highlight has been the strong progress of our newly introduced servers, with our server and networking business up 11 percent. We're also encouraged by early interest in our new Windows 8 touch portfolio and the opportunities it creates for our commercial and [consumer businesses](#)."

Texas-based Dell, once the biggest PC maker, has fallen to third place in [global sales](#), according to market tracker IDC.

Dell has expanded its effort in the Internet "cloud" in the face of softening demand for traditional computing hardware and has also moved into software and other services.

Dell announced in June it will use some of its cash stockpile to pay dividends in a bid to boost shareholder value.

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