DELL INC.
Condensed Consolidated Statement of Income and Related Financial Highlights
(in millions, except per share data)
(unaudited)

	Three Months Ended			% Growth Rates	
	May 2, 2008	February 1, 2008	May 4, 2007	Sequential	Yr. to Yr.
Net revenue	$ 16,077	$ 15,989	$ 14,722	1%	9%
Cost of revenue…………………………………………..	13,112	12,995	11,884	1%	10%
Gross margin ……………………………………………..	2,965	2,994	2,838	(1%)	4%
Selling, general and administrative ………………………	1,912	1,981	1,763	(3%)	8%
Research and Development:					
Research, development and engineering ………………	152	154	142	(1%)	7%
In-process research and development …………………	2	83	-	(98%)	N/A
Total research and development	154	237	142	(35%)	9%
Total operating expenses………………………………….	2,066	2,218	1,905	(7%)	8%
Operating income ………………………………………	899	776	933	16%	(4%)
Investment and other income, net ………………………..	125	106	78	18%	61%
Income before income taxes ………………………………	1,024	882	1,011	16%	1%
Income tax provision ……………………………………..	240	203	255	19%	(6%)
Net income …………………………………………….	$ 784	$ 679	$ 756	15%	4%
Earnings per common share:					
Basic ……………………………………………………	$ 0.39	$ 0.31	$ 0.34	26%	15%
Diluted …………………………………………………	$ 0.38	$ 0.31	$ 0.34	23%	12%
Weighted average shares outstanding:					
Basic ……………………………………………………	2,036	2,184	2,234	(7%)	(9%)
Diluted …………………………………………………	2,040	2,201	2,254	(7%)	(10%)
Percentage of Total Net Revenue:					
Gross margin………….……..……………………………..	18.4%	18.8%	19.3%		
Selling, general and administrative………………………	11.9%	12.4%	12.0%		
Total research and development…………………………..	1.0%	1.5%	1.0%		
Operating expenses…………………………………….…	12.9%	13.9%	13.0%		
Operating income…………………………………….……	5.5%	4.9%	6.3%		
Income before income taxes…………………………….…	6.4%	5.5%	6.8%		
Net income……………………………………….………	4.9%	4.2%	5.1%		
Income tax rate……………………………………….……	23.5%	23.0%	25.2%		
Net Revenue by Product Category:					
Desktop PCs …………………………………………….…	$ 4,700	$ 4,860	$ 4,942	(3%)	(5%)
Mobility ……………………………………………….…..	4,904	4,813	4,016	2%	22%
Servers and Networking………………………………….…	1,653	1,612	1,593	3%	4%
Storage ………………………………………………….…..	631	649	549	(3%)	15%
Services ……………………………………………………..	1,448	1,401	1,281	3%	13%
Software and Peripherals ………………………………….…	2,741	2,654	2,341	3%	17%
Percentage of Total Net Revenue:					
Desktop PCs …………………………………………….…	29%	30%	33%		
Mobility ……………………………………………….…..	31%	30%	27%		
Servers and Networking………………………………….…	10%	10%	11%		
Storage ………………………………………………….…..	4%	4%	4%		
Services ……………………………………………………..	9%	9%	9%		
Software and Peripherals ………………………………….…	17%	17%	16%		

Note: Percentage growth rates and ratios are calculated based on underlying data in thousands.

DELL INC.

Condensed Consolidated Statement of Financial Position and Related Financial Highlights

(in millions, except for "Ratios" and "Other information")

(unaudited)

	May 2, 2008	February 1, 2008	May 4, 2007
Assets:			
Current assets:			
Cash and cash equivalents ……………………………………	$ 8,273	$ 7,764	$ 9,260
Short-term investments ………………………………………	228	208	919
Accounts receivable, net ……………………………………	6,002	5,961	4,740
Financing receivables, net …………………………………	1,548	1,732	1,503
Inventories, net ………………………………………………	1,258	1,180	764
Other ……………………………………………………………	3,193	3,035	2,585
Total current assets ………………………………………	20,502	19,880	19,771
Property, plant and equipment, net ………………………………	2,642	2,668	2,452
Investments ………………………………………………………	1,312	1,560	2,058
Long-term financing receivables, net ………………………………	375	407	349
Goodwill …………………………………………………………..	1,691	1,648	111
Intangible assets, net …………………………………………	808	780	44
Other non-current assets ……………………………………………	689	618	759
Total assets ………………………………………………	$ 28,019	$ 27,561	$ 25,544
Liabilities and Equity:			
Current liabilities:			
Short-term borrowings	$ 131	$ 225	$ 334
Accounts payable ……………………………………………	10,891	11,492	9,670
Accrued and other ………………………………………………	3,829	4,323	3,647
Short-term deferred service revenue ……………………	2,518	2,486	2,033
Total current liabilities …………………………………	17,369	18,526	15,684
Long-term debt …………………………………………………	1,848	362	381
Long-term deferred service revenue …………………………..	2,906	2,774	2,375
Other non-current liabilities ……………………………………	2,350	2,070	1,914
Total liabilities …………………………………………	24,473	23,732	20,354
Redeemable common stock …………………………………………	92	94	119
Stockholders' equity ……………………………………………	3,454	3,735	5,071
Total liabilities and equity …………………………………………	$ 28,019	$ 27,561	$ 25,544
Ratios:			
Days supply in inventory	9	8	6
Days of sales outstanding [1]	36	36	31
Days in accounts payable	75	80	73
Cash conversion cycle	(30)	(36)	(36)
Other Information:			
Regular headcount (approximate)	79,900	82,700	83,600
Temporary headcount	4,700	5,500	5,300
Total headcount	84,600	88,200	88,900
Average total revenue/unit (approximate)	$ 1,470	$ 1,480	$ 1,630

Note: Ratios are calculated based on underlying data in thousands.

[1] Days of sales outstanding ("DSO") is based on the ending net trade receivables and most recent quarterly revenue for each period. DSO includes the effect of product costs related to customer shipments not yet recognized as revenue that are classified in other current assets. At May 2, 2008, February 1, 2008 and May 4, 2007, DSO and days of customer shipments not yet recognized were 33 and 3 days, 33 and 3 days and 29 and 2 days, respectively.

DELL INC.
Condensed Consolidated Statements of Cashflows
(in millions, unaudited)

	Three Months Ended	
	May 2, 2008	May 4, 2007
Cash flows from operating activities:		
Net income ……………………………...……………………..……………....	$ 784	$ 756
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization ……………………………..………………	185	132
Stock-based compensation ……………………………………..……………	50	97
Excess tax benefits from stock-based compensation ………………….…...	-	(12)
Effects of exchange rate changes on monetary assets and liabilities denominated in foreign currencies ………………………….….	(90)	22
Other ………………………………………………………………..…………	39	31
Changes in:		
Operating working capital …………………………………………………..	(882)	(1,054)
Non-current assets and liabilities ..………..……………………………….	57	(71)
Net cash provided by (used in) operating activities …………………………	143	(99)
Cash flows from investing activities:		
Investments:		
Purchases …………………………………………………….………………	(172)	(1,104)
Maturities and sales……………………………………….…………...……	434	1,068
Capital expenditures………………………………………….……………..…	(122)	(171)
Acquisition of business, net of cash and cash equivalents acquired…………….	(170)	-
Net cash used in investing activities ..……………………….….…	(30)	(207)
Cash flows from financing activities:		
Repurchase of common stock ……………………………………………………	(1,031)	-
Issuance of common stock under employee plans………………..……………..	21	21
Excess tax benefits from stock-based compensation ……………………………	-	12
Issuance (payment) of commercial paper, net …………………..………………	101	(40)
Proceeds from borrowings…………………………………………………	1,490	12
Repayments of borrowings……………………………………………………	(200)	(17)
Other ………………………………………………………………………………	6	(1)
Net cash provided by (used in) financing activities ………………….………	387	(13)
Effect of exchange rate changes on cash and cash equivalents…………………	9	33
Net increase (decrease) in cash and cash equivalents………………………….	509	(286)
Cash and cash equivalents at beginning of period……………….…..………….	7,764	9,546
Cash and cash equivalents at end of period……………………………………	$ 8,273	$ 9,260

DELL INC.
Segment Information
(in millions, unaudited)

	Three Months Ended				
	May 2, 2008	February 1, 2008	November 2, 2007	August 3, 2007	May 4, 2007
Net Revenue by Geographic Region _(in millions)_ **:**					
Americas Commercial……………………………………	$ 7,298	$ 7,216	$ 7,834	$ 7,680	$ 7,251
EMEA Commercial……………………………………	3,806	3,680	3,448	3,162	3,317
Asia Pacific - Japan Commercial………………………	2,024	1,905	1,790	1,765	1,707
Global Consumer………………………………………	2,949	3,188	2,574	2,169	2,447
Consolidated net revenue…………………………..……	$ 16,077	$ 15,989	$ 15,646	$ 14,776	$ 14,722
Percentage of Total Net Revenue:					
Americas Commercial……………………………………	45%	45%	50%	52%	49%
EMEA Commercial……………………………………	24%	23%	22%	21%	22%
Asia Pacific - Japan Commercial………………………	13%	12%	11%	12%	12%
Global Consumer………………………………………	18%	20%	17%	15%	17%
	100%	100%	100%	100%	100%
Consolidated Operating Income					
Americas Commercial……………………………………	$ 588	$ 502	$ 663	$ 757	$ 644
EMEA Commercial……………………………………	221	283	211	202	282
Asia Pacific - Japan Commercial………………………	131	120	76	142	86
Global Consumer………………………………………	35	3	(24)	5	18
Consolidated segment operating income…………………	975	908	926	1,106	1,030
Stock-based compensation expense ………….…………	(50)	(38)	(97)	(204)	(97)
In-process research and development ……………………	(2)	(83)	-	-	-
Amortization of intangible assets…………………….…	(24)	(11)			-
Consolidated operating income ……………….………	$ 899	$ 776	$ 829	$ 902	$ 933

DELL INC.
Supplementary Items
(in millions, except per share data)
(unaudited)

The following supplemental data is provided for additional information.

All items are included in Dell's U.S. GAAP results.

	Three Months Ended May 2, 2008	
	Pre-Tax $M	Est. EPS Impact
Severance & Facility Closures	$ (106)	$ (0.04)
Amortization of Purchased Intangibles	$ (26)	$ (0.01)
Investigation Related Costs	$ (19)	$ (0.01)
Exchange Rate Error (a)	$ 42	$ 0.02
Bonus Accrual Reversal (b)	$ 46	$ 0.02
Patent Litigation Reserve (c)	$ 55	$ 0.02

(a)　Error whereas certain balances were not translated at appropriate currency exchange rates over time.

(b)　A reduction in the provision for Fiscal Year 2008 employee bonuses.

(c)　A reduction in litigation reserves related to a patent claim.

These items are recognized in different tax jurisdictions and therefore are tax-effected at different rates.