DELL INC.

Condensed Consolidated Statement of Income and Related Financial Highlights

(in millions, except per share data or as otherwise noted)

(unaudited)

	Three Months Ended							
	November 2,		August 3,		November 3,		% Growt	th Rates
		2007		2007		2006	Sequential	Yr. to Yr.
Net revenue	\$	15,646	\$	14,776	\$	14,419	6%	9%
Cost of revenue		12,758		11,825		12,028	8%	6%
Gross margin		2,888		2,951		2,391	(2%)	21%
Selling, general and administrative		1,900		1,894		1,531	0%	24%
Research, development and engineering		159		155		126	3%	27%
Total operating expenses		2,059		2,049		1,657	0%	24%
Operating income		829		902		734	(8%)	13%
Investment and other income, net		107		96		66	11%	62%
Income before income taxes		936		998		800	(6%)	17%
Income tax provision		170		252		199	(33%)	(14%)
Net income	\$	766	\$	746	\$	601	3%	27%
Earnings per common share: Basic	\$	0.34	\$	0.33	\$	0.27	3%	26%
					\$			
Diluted	\$	0.34	\$	0.33	\$	0.27	3%	26%
Weighted average shares outstanding: Basic		2 220		0.007		2 2 2 2		
Diluted		2,236		2,237		2,229		
Diluted		2,266		2,264		2,238		
Percentage of Total Net Revenue:		10 50/		10.09/		16 69/		
Gross margin		18.5%		19.9%		16.6%		
Selling, general and administrative		12.2% 1.0%		12.8% 1.0%		10.6% 0.9%		
Research, development and engineering								
Operating expenses		13.2%		13.8%		11.5%		
Operating income Income before income taxes		5.3% 6.0%		6.1% 6.8%		5.1% 5.6%		
Net income		0.0 <i>%</i> 4.9%		5.1%		5.0 <i>%</i> 4.2%		
Income tax rate		18.2%		25.3%		4.2 <i>%</i> 24.9%		
Not Devenue hu Coornentie Deview (1997)								
<u>Net Revenue by Geographic Region (in billions):</u> Americas	\$	9.7	\$	9.2	\$	9.2	5%	5%
	φ	9.7 3.8	φ	9.2 3.5	φ	9.2 3.4	10%	14%
Europe Asia Pacific - Japan		2.1		2.1		3.4 1.8	2%	14 %
Asia Facilic - Japan		2.1		2.1		1.0	2 70	10 /0
<u>Percentage of Total Net Revenue:</u> Americas		62%		62%		64%		
Europe		24%		24%		23%		
Asia Pacific - Japan		14%		14%		13%		
Net Revenue by Product Category (in billions):								
Desktop PCs	\$	4.8	\$	5.0	\$	4.8	(5%)	(1%)
Mobility		4.7		3.9		3.9	22%	19%
Servers and Networking		1.6		1.6		1.5	2%	8%
Storage		0.6		0.6		0.6	2%	8%
Enhanced Services		1.4		1.3		1.3	6%	7%
Software and Peripherals		2.5		2.4		2.3	6%	11%
Percentage of Total Net Revenue:								
Desktop PCs		30%		34%		33%		
Mobility		30%		26%		27%		
Servers and Networking		11%		11%		11%		
Storage		4%		4%		4%		
Enhanced Services		9%		9%		9%		
Software and Peripherals		16%		16%		16%		

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

DELL INC.

Condensed Consolidated Statement of Operations and Related Financial Highlights

(in millions, except per share data or as otherwise noted)

(unaudited)

November 2 November 3 Rates 2007 Numerber 2 November 3 Pates VI. In Vr. Cost of revenue			Nine Months Ended			% Growth		
2007 2006 Yr. to Yr. Net revenue \$ 45,144 \$ 42,950 \$% Gross margin 86,467 70,372 23% Belling general and administrative 5,567 4,414 28% Research, development and engineering 456 38,00 20% Total operating expenses 6,013 47,704 22% Operating income 2,845 2,445 243 19% Income bative income, net. 2,845 2,445 243 22% Income bative income taxes 2,245 2,445 22% 22% Earnings per common share: 8 1,010 \$ 0,822 23% Diluted 2,236 2,2263 2,263 2,278 22% Veighted average shares outstanding: 8 3 1,00 \$ 0,82 23% Diluted 2,236 2,236 2,263 2,263 2,278 22% Veighted average shares outstanding: 8 10,3% 10,3% 10,3% 10						Rates		
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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)

	Nov	November 2, 2007		August 3, 2007		November 3, 2006	
<u>Assets:</u>							
Current assets:							
Cash and cash equivalents	\$	12,236	\$	11,204	\$	7,998	
Short-term investments		369		658		1,320	
Accounts receivable, net		6,156		5,296		4,804	
Financing receivables, net		1,560		1,531		1,529	
Inventories, net		1,102		973		680	
Other		2,925		2,552		2,676	
Total current assets		24,348		22,214		19,007	
Property, plant and equipment, net		2,631		2,608		2,215	
Investments		1,980		1,960		2,219	
Long-term financing receivables, net		389		375		311	
Other non-current assets		1,032		897		711	
Total assets	\$	30,380	\$	28,054	\$	24,463	
Liabilities and Stockholders' Equity: Current liabilities: Short-term borrowings Accounts payable Accrued and other Total current liabilities Long-term debt Other non-current liabilities Total liabilities Redeemable common stock Stockholders' equity Total liabilities and stockholders' equity	\$	266 11,411 6,373 18,050 392 4,993 23,435 101 6,844 30,380	\$	328 10,578 6,160 17,066 378 4,566 22,010 116 5,928 28,054	\$	322 10,335 6,958 17,615 579 2,789 20,983 88 3,392 24,463	
Ratios:							
Days supply in inventory		8		7		5	
Days of sales outstanding ⁽¹⁾		38		35		33	
Days in accounts payable		38 81		33 80			
Cash conversion cycle		(35)		(38)		(40)	
		(55)		(30)		(40)	
Other Information:							
Regular headcount (approximate)		81,900		84,000		79,100	
Temporary headcount		7,200		7,100		8,500	
Total headcount		89,100		91,100		87,600	
Average total revenue/unit (approximate)	\$	1,520	\$	1,520	\$	1,530	

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 November 2, 2007, August 3, 2007 and November 3, 2006, DSO and days of customer shipments not yet recognized were 35 and 3 days, 32 and 3 days and 30 and 3 days, respectively.

DELL INC. Condensed Consolidated Statement of Cash Flows (in millions) (unaudited)

	Three Months Ended	Nine Months Ended
	Novemb	er 2, 2007
Cash flows from operating activities:		
Net income	\$ 766	\$ 2,268
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	153	424
Stock-based compensation expense	97	398
Tax benefits from stock-based compensation	-	(12)
Effects of exchange rate changes on monetary assets and	0	10
liabilities denominated in foreign currencies	9	40
Other	48	76
Changes in:	(2.12)	(0.070)
Operating working capital	(340)	(2,072)
Non-current assets and liabilities	265	1,630
Net cash provided by operating activities	998	2,752
Cash flows from investing activities:		
Investments:		
Purchases	(323)	(2,088)
Maturities and sales	618	2,745
Acquisition of business, net of cash acquired	(87)	(106)
Capital expenditures	(172)	(636)
Net cash provided by (used in) investing activities	36	(85)
Cash flows from financing activities:		
Purchases of common stock	(1)	(1)
Issuance of common stock under employee plans	-	21
Excess tax benefits from stock-based compensation	-	12
Payment of commercial paper, net	(60)	(100)
Other	(9)	(18)
Net cash used in financing activities	(70)	(86)
Effect of exchange rate changes on cash and cash equivalents	68	109
Net increase in cash and cash equivalents		2,690
	44.004	9,546
Cash and cash equivalents at beginning of period	11,204	9,540

Additional supplemental information is available on our website at http://www.dell.com/investor