

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

	Three Months Ended			% Growth Rates	
	May 1, 2009	January 30, 2009	May 2, 2008	Sequential	Yr. to Yr.
Net revenue:					
Products.....	\$ 10,232	\$ 11,264	\$ 13,956	(9%)	(27%)
Services, including software related	2,110	2,164	2,121	(2%)	(1%)
Total net revenue	<u>12,342</u>	<u>13,428</u>	<u>16,077</u>	(8%)	(23%)
Cost of net revenue					
Products.....	8,786	9,704	11,847	(9%)	(26%)
Services, including software related	1,388	1,412	1,265	(2%)	10%
Total cost of net revenue.....	<u>10,174</u>	<u>11,116</u>	<u>13,112</u>	(8%)	(22%)
Gross margin	2,168	2,312	2,965	(6%)	(27%)
Selling, general and administrative	1,613	1,679	1,912	(4%)	(16%)
Research, development and engineering	141	176	152	(20%)	(7%)
In-process research and development.....	-	-	2	N/A	(100%)
Total operating expenses.....	<u>1,754</u>	<u>1,855</u>	<u>2,066</u>	(5%)	(15%)
Operating income	414	457	899	(9%)	(54%)
Investment and other (expense) income, net	(2)	(3)	125	45%	(101%)
Income before income taxes	412	454	1,024	(9%)	(60%)
Income tax provision	122	103	240	19%	(49%)
Net income	<u>\$ 290</u>	<u>\$ 351</u>	<u>\$ 784</u>	(17%)	(63%)
Earnings per common share:					
Basic	<u>\$ 0.15</u>	<u>\$ 0.18</u>	<u>\$ 0.39</u>	(17%)	(62%)
Diluted	<u>\$ 0.15</u>	<u>\$ 0.18</u>	<u>\$ 0.38</u>	(17%)	(61%)
Weighted average shares outstanding:					
Basic	1,949	1,944	2,036	0%	(4%)
Diluted	1,952	1,948	2,040	0%	(4%)
<u>Percentage of Total Net Revenue:</u>					
Gross margin.....	17.6%	17.2%	18.4%		
Selling, general and administrative.....	13.1%	12.5%	11.9%		
Total research and development.....	1.1%	1.3%	1.0%		
Operating expenses.....	14.2%	13.8%	12.9%		
Operating income.....	3.4%	3.4%	5.5%		
Income before income taxes.....	3.3%	3.4%	6.4%		
Net income.....	2.3%	2.6%	4.9%		
Income tax rate	29.6%	22.6%	23.5%		
<u>Net Revenue by Product Category:</u>					
Mobility.....	\$ 3,875	\$ 3,999	\$ 4,849	(3%)	(20%)
Desktop PCs.....	3,163	3,538	4,781	(11%)	(34%)
Software and Peripherals	2,246	2,487	2,741	(10%)	(18%)
Servers and Networking	1,286	1,431	1,718	(10%)	(25%)
Enhanced Services	1,238	1,270	1,344	(3%)	(8%)
Storage.....	534	703	644	(24%)	(17%)
Consolidated net revenue.....	<u>\$ 12,342</u>	<u>\$ 13,428</u>	<u>\$ 16,077</u>	(8%)	(23%)
<u>Percentage of Total Net Revenue:</u>					
Mobility.....	32%	30%	30%		
Desktop PCs.....	26%	26%	30%		
Software and Peripherals	18%	19%	17%		
Servers and Networking	10%	11%	11%		
Enhanced Services	10%	9%	8%		
Storage.....	4%	5%	4%		
<u>Net Revenue by Global Segments:</u>					
Large Enterprise.....	\$ 3,400	\$ 3,889	\$ 4,921	(13%)	(31%)
Public.....	3,171	3,287	3,581	(4%)	(11%)
Small and Medium Business.....	2,967	3,043	4,244	(3%)	(30%)
Consumer	2,804	3,209	3,331	(13%)	(16%)
Consolidated net revenue.....	<u>\$ 12,342</u>	<u>\$ 13,428</u>	<u>\$ 16,077</u>	(8%)	(23%)
<u>Percentage of Total Net Revenue:</u>					
Large Enterprise.....	27%	29%	31%		
Public.....	26%	24%	22%		
Small and Medium Business.....	24%	23%	26%		
Consumer	23%	24%	21%		

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 1, 2009	January 30, 2009	May 2, 2008
<u>Assets:</u>			
Current assets:			
Cash and cash equivalents	\$ 9,691	\$ 8,352	\$ 8,273
Short-term investments	434	740	228
Accounts receivable, net	4,278	4,731	6,002
Financing receivables, net	1,775	1,712	1,548
Inventories, net	842	867	1,258
Other	2,890	3,749	3,193
Total current assets	19,910	20,151	20,502
Property, plant and equipment, net	2,181	2,277	2,642
Investments	568	454	1,312
Long-term financing receivables, net	445	500	375
Goodwill	1,742	1,737	1,691
Purchased intangible assets, net	684	724	808
Other non-current assets	659	657	689
Total assets	\$ 26,189	\$ 26,500	\$ 28,019
<u>Liabilities and Equity:</u>			
Current liabilities:			
Short-term debt	\$ 101	\$ 113	\$ 131
Accounts payable	7,844	8,309	10,891
Accrued and other	3,513	3,788	3,829
Short-term deferred enhanced services revenue ..	2,683	2,649	2,518
Total current liabilities	14,141	14,859	17,369
Long-term debt	2,396	1,898	1,848
Long-term deferred enhanced services revenue	2,954	3,000	2,906
Other non-current liabilities	2,468	2,472	2,350
Total liabilities	21,959	22,229	24,473
Redeemable common stock	-	-	92
Stockholders' equity	4,230	4,271	3,454
Total liabilities and equity	\$ 26,189	\$ 26,500	\$ 28,019
<u>Ratios:</u>			
Days of sales outstanding ⁽¹⁾	34	35	36
Days supply in inventory	7	7	9
Days in accounts payable	69	67	75
Cash conversion cycle	(28)	(25)	(30)
Average total revenue/unit (approximate)	\$ 1,360	\$ 1,410	\$ 1,470

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 1, 2009, January 30, 2009, and May 2, 2008, DSO and days of customer shipments not yet recognized were 31 and 3 days, 31 and 4 days, 33 and 3 days, respectively.

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

	Three Months Ended	
	May 1, 2009	May 2, 2008
Cash flows from operating activities:		
Net income	\$ 290	\$ 784
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	201	183
Stock-based compensation	67	50
In-process research and development charges	-	2
Effects of exchange rate changes on monetary assets and liabilities denominated in foreign currencies	-	(90)
Deferred income taxes	10	34
Other	92	38
Changes in operating assets and liabilities, net of effects from acquisitions:		
Accounts receivable.....	411	103
Financing receivables.....	(27)	154
Inventories.....	24	(76)
Other assets	547	(192)
Accounts payable	(483)	(652)
Deferred enhanced services revenue	(22)	141
Accrued and other liabilities	(349)	(336)
Change in cash from operating activities	761	143
Cash flows from investing activities:		
Investments:		
Purchases	(428)	(172)
Maturities and sales.....	642	434
Capital expenditures.....	(80)	(122)
Acquisition of business, net of cash received.....	(3)	(170)
Change in cash from investing activities	131	(30)
Cash flows from financing activities:		
Repurchase of common stock	-	(1,031)
Issuance of common stock under employee plans.....	-	21
Issuance of commercial paper, net	-	101
Proceeds from issuance of debt.....	497	1,519
Repayments of debt.....	(11)	(223)
Other	(1)	-
Change in cash from financing activities	485	387
Effect of exchange rate changes on cash and cash equivalents.....	(38)	9
Change in cash and cash equivalents.....	1,339	509
Cash and cash equivalents at beginning of period.....	8,352	7,764
Cash and cash equivalents at end of period.....	\$ 9,691	\$ 8,273

DELL INC.
Segment and Product Information
(in millions, except percentages) (unaudited)

	Fiscal 2010		Fiscal 2009		
	Three Months Ended				
	May 1, 2009	January 30, 2009	October 31, 2008	August 1, 2008	May 2, 2008
<u>Net Revenue by Product Category:</u>					
Mobility.....	\$ 3,875	\$ 3,999	\$ 4,861	\$ 4,895	\$ 4,849
Desktop PCs.....	3,163	3,538	4,091	4,954	4,781
Software and Peripherals	2,246	2,487	2,585	2,790	2,741
Servers and Networking	1,286	1,431	1,630	1,733	1,718
Enhanced Services	1,238	1,270	1,365	1,372	1,344
Storage.....	534	703	630	690	644
Consolidated net revenue.....	<u>\$ 12,342</u>	<u>\$ 13,428</u>	<u>\$ 15,162</u>	<u>\$ 16,434</u>	<u>\$ 16,077</u>
<u>Percentage of Total Net Revenue:</u>					
Mobility.....	32%	30%	32%	30%	30%
Desktop PCs.....	26%	26%	27%	30%	30%
Software and Peripherals	18%	19%	17%	17%	17%
Servers and Networking	10%	11%	11%	11%	11%
Enhanced Services	10%	9%	9%	8%	8%
Storage.....	4%	5%	4%	4%	4%
<u>Net Revenue by Global Segments:</u>					
Large Enterprise.....	\$ 3,400	\$ 3,889	\$ 4,395	\$ 4,806	\$ 4,921
Public.....	3,171	3,287	3,960	4,510	3,581
Small and Medium Business.....	2,967	3,043	3,647	3,958	4,244
Consumer	2,804	3,209	3,160	3,160	3,331
Consolidated net revenue.....	<u>\$ 12,342</u>	<u>\$ 13,428</u>	<u>\$ 15,162</u>	<u>\$ 16,434</u>	<u>\$ 16,077</u>
<u>Percentage of Total Net Revenue:</u>					
Large Enterprise.....	27%	29%	29%	29%	31%
Public.....	26%	24%	26%	28%	22%
Small and Medium Business.....	24%	23%	24%	24%	26%
Consumer	23%	24%	21%	19%	21%
<u>Consolidated Operating Income:</u>					
Large Enterprise.....	\$ 192	\$ 259	\$ 254	\$ 259	\$ 386
Public.....	293	289	361	331	277
Small and Medium Business.....	230	239	374	330	330
Consumer	(1)	47	142	29	88
Consolidated segment operating income.....	714	834	1,131	949	1,081
Severance and facilities closure expenses	(185)	(134)	(17)	(25)	(106)
Broad based long-term incentives	(76)	(217)	(73)	(78)	(50)
In-process research and development	-	-	-	-	(2)
Amortization of intangible assets.....	(39)	(26)	(26)	(27)	(24)
Consolidated operating income	<u>\$ 414</u>	<u>\$ 457</u>	<u>\$ 1,015</u>	<u>\$ 819</u>	<u>\$ 899</u>

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 1, 2009	
	Pre-Tax \$M	Est. EPS Impact
Severance & Facility Closures	\$ (185)	\$ (0.09)