

DELL INC.

Condensed Consolidated Statement of Income and Related Financial Highlights - **PRELIMINARY** (see Note)

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

(unaudited)

| | Three Months Ended | |
|---|--------------------|------------------|
| | Aug 3, | |
| | 2007 | |
| | <hr/> | |
| Net revenue | \$ | 14,771 |
| Cost of revenue | | 11,828 |
| Gross margin | | <hr/> 2,943 |
| Total operating expenses | | 2,047 |
| Operating income | | <hr/> 896 |
| Investment and other income, net | | 97 |
| Income before income taxes | | <hr/> 993 |
| Income tax provision | | 260 |
| Net income | \$ | <hr/> <hr/> 733 |
| Earnings per common share: | | |
| Basic | \$ | 0.33 |
| Diluted | \$ | <hr/> <hr/> 0.32 |
| Weighted average shares outstanding: | | |
| Basic | | 2,236 |
| Diluted | | 2,264 |
| <u>Percentage of Total Net Revenue:</u> | | |
| Gross margin | | 19.9% |
| Operating expenses | | 13.9% |
| Operating income | | 6.0% |
| Income before income taxes | | 6.7% |
| Net income | | 4.9% |
| Income tax rate | | 26.3% |
| <u>Net Revenue by Geographic Region (in billions):</u> | | |
| Americas | \$ | 9.2 |
| Europe | | 3.5 |
| Asia Pacific - Japan | | 2.1 |
| <u>Percentage of Total Net Revenue:</u> | | |
| Americas | | 62% |
| Europe | | 24% |
| Asia Pacific - Japan | | 14% |
| <u>Net Revenue by Product Category (in billions):</u> | | |
| Desktop PCs | \$ | 5.0 |
| Mobility | | 3.9 |
| Servers and Networking | | 1.6 |
| Storage | | 0.6 |
| Enhanced Services | | 1.3 |
| Software and Peripherals | | 2.4 |
| <u>Percentage of Total Net Revenue:</u> | | |
| Desktop PCs | | 34% |
| Mobility | | 26% |
| Servers and Networking | | 11% |
| Storage | | 4% |
| Enhanced Services | | 9% |
| Software and Peripherals | | 16% |

Note: As previously announced on Aug. 16, 2007, Dell will restate its previously issued financial statements for fiscal 2003, 2004, 2005 and 2006 (including the interim periods within those years), and the first quarter of fiscal 2007. In addition, the company has not filed its Forms 10-Q for the second and third quarter of fiscal 2007 and the first quarter of fiscal 2008 or its Form 10-K for fiscal 2007. Consequently, all financial results described in this press release, as well as the previously announced financial results for the second, third and fourth quarters of fiscal 2007 and first quarter of 2008, should be considered preliminary, and are subject to change to reflect any necessary corrections or adjustments, or changes in accounting estimates, that are identified prior to the time the company completes the restatement and these filings. See "Preliminary Results Subject to Change" and "Special Note" in the accompanying press release.

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Financial Highlights -- Continued - **PRELIMINARY** (see Note)
(unaudited)

| | Aug 3, 2007 |
|---|----------------|
| <u>Other Information:</u> | |
| Regular headcount | 83,300 |
| Temporary headcount | <u>7,100</u> |
| Total ⁽¹⁾ | 90,400 |
| Average total revenue/unit (approximate) | \$ 1,520 |
| Cash and investments (in billions) | \$ 13.8 |
| Commercial paper borrowings (in billions) | \$ 0.1 |

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⁽¹⁾ Previously only regular headcount was reported.