

## Dear Fellow Shareholder,

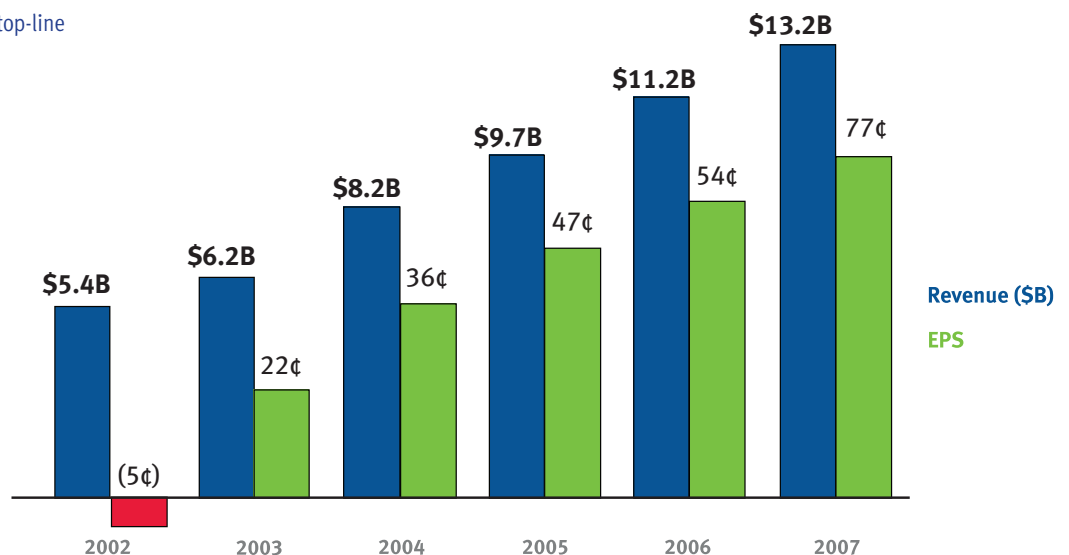
As we look into 2008 and beyond, we believe EMC is better positioned for long-term success than at any other time in the company's history. Five years ago we embarked on a plan to change the strategic direction of the company by focusing on information lifecycle management, which broadened into our information infrastructure strategy. At the time we didn't have all the pieces in place, but our customers and our employees believed in our vision, and we were confident in the direction it would take us.

Now, through a combination of innovation, acquisitions, and execution, the pieces are in place. Today's EMC is a growth company, a \$13 billion global technology leader with more than 37,000 employees operating in more than 60 countries. Through the end of 2007, we've delivered 18 quarters in a row of double-digit, year-over-year revenue growth. Our four businesses—information storage, content management and archiving, RSA® information security, and VMware®—each grew revenues in double digits in 2007.

We achieved double-digit revenue growth across our systems, software, and services offerings and in each of our four geographic regions in 2007. This balanced and consistent performance resulted in a record year for EMC. Total consolidated revenue grew 19 percent to \$13.2 billion, GAAP net income grew 36 percent to \$1.7 billion, and GAAP earnings per share rose 43 percent to 77 cents. We launched a very successful initial public offering (IPO) of approximately 10 percent of VMware that clearly met our goal of putting a brighter spotlight on VMware and the power of its virtual infrastructure strategy. Overall, we outperformed our technology peers in 2007, and our stock price reflected this, climbing 40 percent during the year. And, we returned a total of \$1.45 billion to shareholders by repurchasing 89 million shares of EMC® stock in 2007.

I'd like to thank all the dedicated EMCers around the world for delivering such fantastic results in 2007. While we have certainly been pleased with our execution, we are a forward-looking company focused on sustaining profitable growth for the long haul. Here's a closer look at our strategy, our opportunities for growth in new markets, and our sustainability efforts.

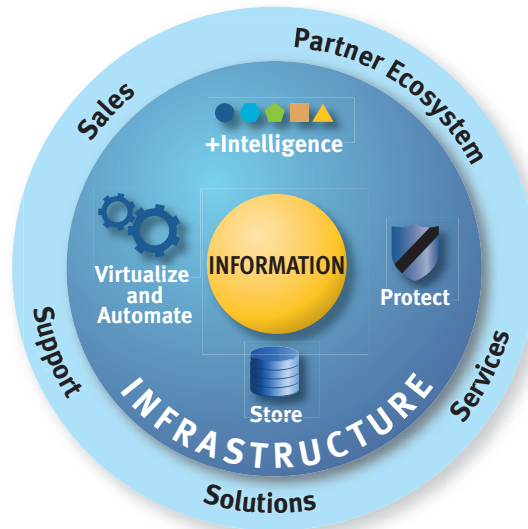
Five years of consistent top-line and bottom-line growth



## Information Infrastructure

The best place to begin is with our strategy—information infrastructure—which is all about helping organizations and individuals intelligently and efficiently store, protect, and manage information so that it can be made accessible, searchable, shareable, and ultimately, actionable. Our strategy could not be more relevant in a world where digital information has become one of the most important assets in nearly all organizations and where its growth is rapid and relentless.

Information infrastructure is a shared set of products, services, and best practices to store, protect, and add intelligence to information and orchestrate the infrastructure through virtualization and automation.

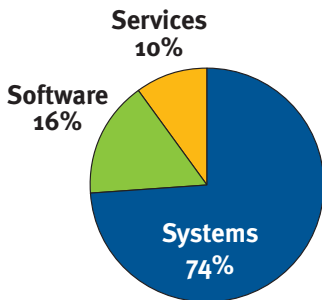


A newly released, EMC-sponsored white paper from market research firm IDC forecasts that information will continue to grow at an annual compound rate of nearly 60 percent between 2007 and 2011. While about 70 percent of this information will be created by individuals, the responsibility for managing 85 percent of it—overseeing its security, privacy, reliability, and compliance with regulations—will belong to businesses and other organizations.

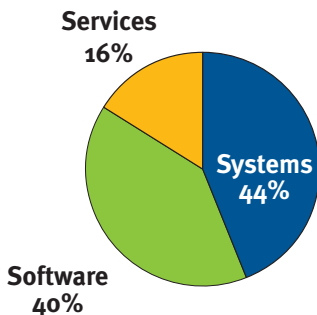
On top of that, according to industry studies, when CIOs were asked to identify their top spending priorities for 2008, they listed virtualization, applications, storage, disaster recovery, security, information growth, compliance, and energy efficiency—all areas where EMC has strong offerings. Combine the sheer growth of the digital universe with the list of the top IT priorities and we have a market opportunity that fits well with our information infrastructure strategy.

### EMC's Business Model Then and Now

#### Revenue Mix in 2002



#### Revenue Mix Today



### Evolution of EMC

EMC is at an important point in its history. Until recently we were a company that proudly focused on storing the information of large organizations. We did it better, more reliably, and more successfully than any other company—and we still do.

As the IDC study underscores, the volume and impact of information is growing exponentially. Historically, only the largest organizations had the computing power to capitalize on the business benefits that well-managed information could bring. EMC excelled at providing information storage solutions to these companies. Today, with the maturing of the Internet, every organization, small or large, can unleash the power of information to run its business or create a competitive advantage. EMC now considers nearly every user of digital information—from the largest global business to the individual consumer—to be a potential customer.

At the same time, EMC has evolved, with a diversified portfolio of hardware, software, services, and solutions that goes far beyond storage. Our strategy still begins with storing vast amounts of information on the right tier of storage extremely reliably and very economically.

But now, after this information is properly stored, we apply sophisticated software to ensure that it is always available, to ensure that the information is protected and the access to it is secure, and to ensure compliance with regulations when the information is archived. Then we organize and manage information so it can become a true asset. And we help customers manage and get maximum use from their IT resources by applying a range of virtualization and resource management technologies.

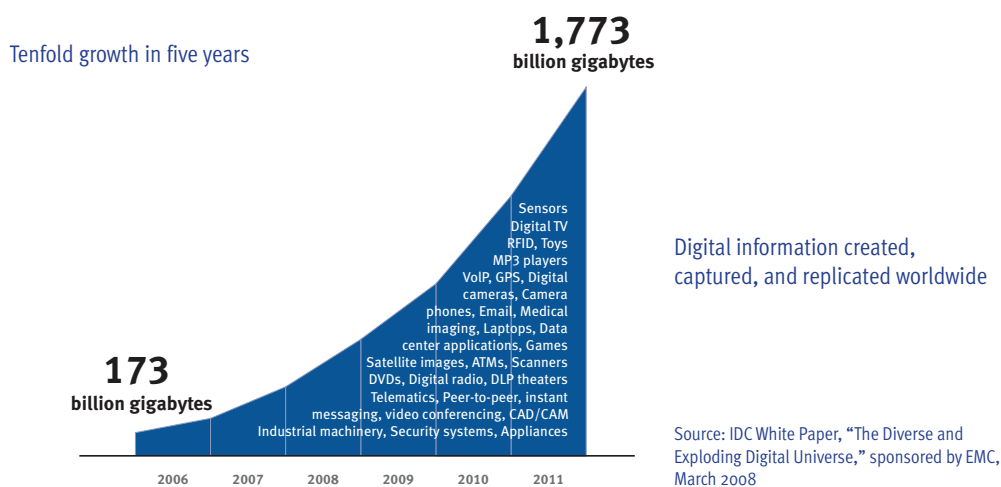
This is where the power of our information infrastructure strategy comes to life. No other company combines our strengths in storage, content management and archiving, security, and virtualization with the breadth of a 12,000-person-strong global services organization to help customers activate the power of their information. Through our global services organization, one of the fastest-growing parts of our business, we help customers deploy and maintain their EMC technologies and solve their information infrastructure challenges. Our entire business is augmented by our extensive ecosystem of technology partners, distribution partners, outsourcing and systems integration partners, and service partners.

And underlying our information infrastructure strategy is our unwavering commitment to delivering the best Total Customer Experience (TCE) in this or any industry. TCE is our commitment to consistently exceed our customers' expectations for quality, service, innovation, and interaction. Everything we do is driven by the "voice of the customer."

## New Opportunities

We believe the growth of the digital universe and our breadth of solutions have created a number of "greenfield" opportunities. The small/medium business (SMB) market is the fastest growing segment of the information infrastructure market and one we consider a priority.

The Web 2.0 space is rapidly expanding as well. We have new products and new business models to address this market, and we recently announced the formation of a Cloud Infrastructure and Services Division. Think of cloud computing as a highly dispersed server and storage environment that acts as one virtual, Internet-based data center. Our Mozy™ product line, which is our first "software-as-a-service" offering, provides online storage for small office/home office customers and consumers. Our EMC LifeLine OEM software for storing and managing digital information in one centralized, secure, and affordable appliance is sold to consumers through partnerships with Intel and Iomega.



## International Growth

Our international markets present a tremendous opportunity for growth. EMC currently generates 57 percent of its annual revenue from North America. We expect our growth rates internationally will continue to exceed growth in North America. Through our "One Global EMC" initiative, we are tightening our internal business processes and alignments to present a single face to our customers and to operate more effectively as a global organization.

We consider Brazil, Russia, India, and China, along with 13 other countries, to be high-growth opportunities. In 2007, these countries contributed nearly \$1 billion of EMC revenue. We believe these markets will continue to grow rapidly, and we plan to invest significantly in these regions.

We are doubling our investment in China, committing \$1 billion for research and development through 2012. We now have research and development centers of excellence around the world in Ireland, China, India, Russia, and Israel. In the fourth quarter of 2007, we opened an integration center for Southeast Asia and Singapore. These centers expand our local presence and help us leverage the intellectual capital available within these regions. Our international growth will come from a combination of our direct sales force and our partners and distribution channels.

## Sustainability

You will be hearing us talk more and more about our focus on sustainability, which has three priorities: environmental stewardship, diversity in our workforce, and corporate citizenship.

Our environmental efforts are divided into two categories. The first is providing energy-efficient products to our customers, who are facing growing power demands in their data centers and the attendant problems of cost and capacity. The second is an internal effort to reduce our carbon footprint around the world and to ensure the environmental integrity of vendors throughout our supply chain.

At EMC, we believe our own diversity should mirror the diversity of our global customer base. We are committed to a diverse workforce, and we are investing in attracting, retaining and developing the most talented people around the world. We firmly believe that when people come together, diversity and inclusion create innovation.

EMC is committed to being a good global corporate citizen on a number of fronts. Improving the quality of education is a major focus area for us, and we strongly support public policies to improve education from early childhood through college.

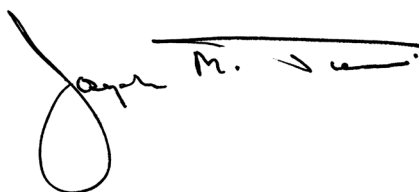
## Board of Directors

Before closing, I would like to acknowledge two very strong additions to our board of directors, Paul Sagan and Edmund "Ted" Kelly. Paul is the president and chief executive officer of Akamai Technologies, Inc. and serves on our Mergers and Acquisitions Committee. Ted Kelly is the chairman, president, and chief executive officer of Liberty Mutual and sits on the board's Finance Committee. We are extremely pleased to have these two seasoned industry leaders join our board.

I would also like to recognize the service of Alfred Zeien, who joined our board of directors in 1999 and resigned in 2007. Al is a former chairman and CEO of Gillette who served on the Audit Committee and the Compensation Committee for many years. He's a first-class executive who brought tremendous value to our board, and I will personally miss working closely with him.

I began this letter by saying I believe EMC is better positioned for the future than ever before. While we are certainly aware of the uncertainties facing the global economic environment, we remain optimistic because our offerings line up squarely with CIOs' top strategic priorities. Our product- and service-quality levels are the highest they've ever been. Our information infrastructure and virtual infrastructure strategies resonate well with customers. And our reputation for helping our customers succeed has never been more positive. Our business is focused on high-growth markets. We're successfully expanding our presence with commercial customers and in high-growth countries, and we're entering large greenfield markets. Not to be overlooked, of course, is our relentless focus on driving efficiencies across the business and our sustained investment in innovation. To put it simply, we all believe EMC's opportunity has never been greater.

Thank you for your ongoing interest in EMC. We look forward to delivering another strong performance in 2008.



Joseph M. Tucci  
Chairman, President, and CEO

This document contains "forward-looking statements" as defined under the Federal Securities Laws. Actual results could differ materially from those projected in the forward-looking statements as a result of certain risk factors, including but not limited to: (i) adverse changes in general economic or market conditions; (ii) delays or reductions in information technology spending; (iii) our ability to protect our proprietary technology; (iv) risks associated with managing the growth of our business, including risks associated with acquisitions and investments and the challenges and costs of integration, restructuring and achieving anticipated synergies; (v) fluctuations in VMware, Inc.'s operating results and risks associated with trading of VMware stock; (vi) competitive factors, including but not limited to pricing pressures and new product introductions; (vii) the relative and varying rates of product price and component cost declines and the volume and mixture of product and services revenues; (viii) component and product quality and availability; (ix) the transition to new products, the uncertainty of customer acceptance of new product offerings and rapid technological and market change; (x) insufficient, excess or obsolete inventory; (xi) war or acts of terrorism; (xii) the ability to attract and retain highly qualified employees; (xiii) fluctuating currency exchange rates; and (xiv) other one-time events and other important factors disclosed previously and from time to time in EMC's filings with the U.S. Securities and Exchange Commission. EMC disclaims any obligation to update any such forward-looking statements after the date of this document.

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