

March 2009

Dear Fellow Shareholder,

EMC celebrates its 30th anniversary this year. That's a remarkable achievement and one that everyone here at EMC is very proud of. We're commemorating this anniversary at a time when the evolution of technologies such as virtualization and cloud computing brings us to an important inflection point in the information technology industry.

Before I talk more about our future and 2009, I'd like to look back at 2008, our sixth year in a row of double-digit revenue growth. Full-year 2008 consolidated revenue was \$14.88 billion, 12 percent higher than our 2007 revenue and our largest revenue year ever. We achieved our non-GAAP EPS goal of \$1.04 and exceeded our per share free cash flow goal of \$1.15, by reaching \$1.24 per share for the year.* We ended 2008 with \$9.2 billion of cash and investments, an important indicator of the financial health of our company.

EMC's information infrastructure business, which consists of information storage, RSA® information security, and content management and archiving businesses, grew revenue 9 percent year over year to \$13.0 billion. These results were driven by the introduction of new, industry-leading products such as the Flash-based, solid-state drives in our product portfolio, the quality and breadth of EMC's global services portfolio, and technology integrations and product enhancements from across all business units. Combined, they strengthened the company's market leadership and competitiveness. In addition, VMware®, a publicly traded company owned 84 percent by EMC, contributed revenue of \$1.88 billion, an increase of 42 percent from 2007.

Full-year 2008 consolidated revenue from EMC's operations outside of the United States grew 17 percent year over year and represented 46 percent of total annual revenue, with the Europe, Middle East & Africa (EMEA), Asia-Pacific & Japan (APJ), and Latin America regions all posting double-digit, year-over-year revenue growth. Revenue from EMC's United States operations increased 9 percent compared with 2007 and represented 54 percent of total annual revenue. I'd like to thank our employees around the world for such a strong performance in a very difficult economic environment. Their solid execution of our winning strategy resulted in another record-breaking year for EMC.

2009 Prospects

Every week EMC® people at all levels of the business meet with thousands of customers around the world. Our customers are saying: Help me reduce costs, drive complexity out of my business, implement my most strategic initiatives, keep my information secure, and take advantage of major IT trends in the industry such as the virtualized data center of the future. Based on this input, we have established three key strategic priorities for 2009: efficient IT; information governance, risk, and compliance; and the future state of IT. These three areas play directly into EMC's technology strengths and, combined with an extensive rollout of new products in 2009, provide the foundation for our long-term growth.

Though these are unprecedented times, I've learned valuable lessons in my career during other difficult economic periods. I've shared with our employees seven guiding principles that EMC has embraced to help steer us through this economic downturn.

In 2009, we will:

1. Maintain our external focus, staying closer than ever to our key customers
2. Strive to gain significant market share
3. Sharpen our discipline on costs and cash flow
4. Sustain and broaden our product technology edge
5. Retain, attract, and develop our key talent
6. Use opportunistic M&A to strengthen our competitive position in the industry
7. Communicate fully and frequently, both internally and externally

In support of these guiding principles, we have undertaken restructuring activities to improve the competitiveness and efficiency of our information infrastructure business and reduce our costs from our 2008 spend rate by about \$350 million in 2009, increasing that savings to about \$500 million by 2010. We've maximized the number of people in our sales and services organization to stay close to our customers and make sure they receive the best customer experience in the business. We've maintained and in some cases enhanced our research and development funding to help us extend our product technology edge. With these principles to guide us, we believe we will be operating from a position of strength in 2009 and beyond.

Sustainability

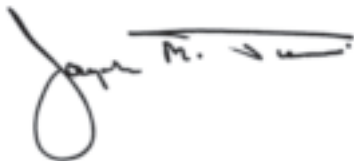
EMC's long-term success depends on recognizing and acting upon the interdependencies between our financial health, the health of the environment in which we operate, and the health of the society in which we live. Our financial health stems from the profitable growth of our business and the creation of shareholder value. Out of our commitment to the health of the environment, we're reducing the energy consumed by our products, our operations, and our supply chain, and targeting the environmentally friendly use and disposal of materials throughout the lifecycles of our products and packaging. From a business and societal perspective, we maintain a fully inclusive workforce—we are an organization that strives to reflect the diversity of our global, multicultural marketplace. Sustainability is a transformational journey, and we plan to report our progress at regular intervals.

Board of Directors

I'd like to comment on two changes to our Board of Directors. I'm delighted that Randy Cowen, a longtime EMC customer and former co-Chief Administrative Officer and Chief Information Officer for the Goldman Sachs Group, has joined our Board and is serving on the Leadership and Compensation and Mergers and Acquisitions Committees. His broad technology knowledge about information infrastructure and virtualization coupled with his business operations experience make him an extremely valuable member of our Board.

Randy is filling the seat of Olli-Pekka Kallasvuo, a member of the Board since 2004, who resigned due to increasing demands on his time as President and Chief Executive Officer of Nokia Corporation. Olli-Pekka's knowledge of global markets and business practices has been of immeasurable value to EMC. We are extremely grateful for his dedication and for how much of his precious time he's given us.

Despite the current state of the world economy, I'm optimistic about EMC's future. We have innovative, leading, timely products and services, the best and most diverse in our company's history. We have ample cash and a very strong balance sheet. We have terrifically talented people with positive attitudes and the leadership team in place to drive execution. We have mutually beneficial strategic alliances with partners who help us deliver innovative solutions to our customers. With cloud computing and virtualization emerging as major shifts in IT, the industry itself is at a major inflection point. EMC is extremely well positioned in both categories and is poised to emerge from this downturn an even stronger leader. Most important, we have a very large customer base that values EMC and whose needs our products and services address. Taken together, these considerable strengths are the source of my optimism about EMC's ability to extend our technology lead and gain market share in 2009.



Joseph M. Tucci
Chairman, President, and CEO

*Items excluded for non-GAAP diluted EPS are \$0.18 of stock-based compensation, \$0.09 of intangible amortization, \$0.10 of restructuring charges, \$0.04 of IPR&D charges and \$0.01 of special income tax benefits. Per share free cash flow represents the sum of operating cash flow of \$3,565.1 million, less capital expenditures of \$695.9 million and capitalized software development costs of \$295.0 million, divided by the weighted average diluted shares outstanding of 2,079,853,000.

This release 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; (xiv) litigation that we may be involved in; and (xv) 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 release. This document contains non-GAAP financial measures. A reconciliation of these non-GAAP financial measures to GAAP is provided above. Management uses such non-GAAP financial measures to gain an understanding of its comparative operating performance. Management believes that these measures provide useful information in understanding and evaluating EMC's current operating performance and future prospects in the same matter as management does, if investors so choose.

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