

EMC CORPORATION
Consolidated Income Statements
(in thousands, except per share amounts)
Unaudited

	Three Months Ended		Twelve Months Ended	
	December 31, 2007	December 31, 2006	December 31, 2007	December 31, 2006
Revenues:				
Product sales	\$ 2,744,311	\$ 2,360,262	\$ 9,411,976	\$ 8,078,042
Services	1,086,463	854,312	3,818,229	3,077,048
	<u>3,830,774</u>	<u>3,214,574</u>	<u>13,230,205</u>	<u>11,155,090</u>
Cost and expenses:				
Cost of product sales	1,227,607	1,111,861	4,359,041	3,906,771
Cost of services	484,236	364,588	1,659,836	1,335,120
Research and development	402,970	358,973	1,526,928	1,254,193
Selling, general and administrative	1,128,875	913,948	3,912,688	3,253,274
In-process research and development	350	-	1,150	35,410
Restructuring charges	34,551	166,923	31,310	162,564
	<u>552,185</u>	<u>298,281</u>	<u>1,739,252</u>	<u>1,207,758</u>
Operating income	552,185	298,281	1,739,252	1,207,758
Net gain on investments, including gain on sale of VMware stock	-	-	137,330	-
Investment income	79,083	50,273	249,264	224,949
Interest expense	(18,489)	(25,685)	(72,855)	(34,123)
Other income (expense), net	5,627	(10,814)	6,578	(8,566)
	<u>618,406</u>	<u>312,055</u>	<u>2,059,569</u>	<u>1,390,018</u>
Income before taxes, minority interest and cumulative effect of a change in accounting principle	618,406	312,055	2,059,569	1,390,018
Income tax provision (benefit)	81,676	(76,714)	378,446	162,664
	<u>536,730</u>	<u>388,769</u>	<u>1,681,123</u>	<u>1,227,354</u>
Income before minority interest and cumulative effect of a change in accounting principle	536,730	388,769	1,681,123	1,227,354
Minority interest, net of taxes	(10,996)	-	(15,455)	-
	<u>525,734</u>	<u>388,769</u>	<u>1,665,668</u>	<u>1,227,354</u>
Income before cumulative effect of a change in accounting principle	525,734	388,769	1,665,668	1,227,354
Cumulative effect of a change in accounting principle, net of taxes of \$107	-	-	-	247
	<u>-</u>	<u>-</u>	<u>-</u>	<u>247</u>
Net income	<u>\$ 525,734</u>	<u>\$ 388,769</u>	<u>\$ 1,665,668</u>	<u>\$ 1,227,601</u>
Net income per weighted average share, basic:				
Income before cumulative effect of a change in accounting principle	\$ 0.25	\$ 0.18	\$ 0.80	\$ 0.55
Cumulative effect of a change in accounting principle	-	-	-	-
Net income	<u>\$ 0.25</u>	<u>\$ 0.18</u>	<u>\$ 0.80</u>	<u>\$ 0.55</u>
Net income per weighted average share, diluted:				
Income before cumulative effect of a change in accounting principle	\$ 0.24	\$ 0.18	\$ 0.77	\$ 0.54
Cumulative effect of a change in accounting principle	-	-	-	-
Net income	<u>\$ 0.24</u>	<u>\$ 0.18</u>	<u>\$ 0.77</u>	<u>\$ 0.54</u>
Weighted average shares, basic	2,086,259	2,124,625	2,079,542	2,248,431
Weighted average shares, diluted	2,210,008	2,164,518	2,157,873	2,286,304

Note: Prior periods have been adjusted to reclassify a portion of the cumulative effect of adoption of FAS123R in Q1'06 from the income statement to stockholders' equity. This reclassification results in an increase to net income in Q1'06 and YTD 2006 of \$3,619 and a corresponding decrease in additional paid-in capital.

Reconciliation of GAAP to Non-GAAP
For the Three Months Ended December 31, 2007
(in thousands, except per share amounts)
Unaudited

	Revenue	Cost of Revenue	Research and Development	Selling, General and Administrative	Restructuring and IPR&D	Operating Income	Other Income, net	Income Before Taxes and Minority Interest	Income Tax Provision	Income Before Minority Interest	Minority Interest	Net Income	Net Income per Weighted Average Share, Basic	Net Income per Weighted Average Share, Diluted	
EMC Consolidated GAAP	\$ 3,830,774	\$ 1,711,843	\$ 402,970	\$ 1,128,875	\$ 34,901	\$ 552,185	\$ 66,221	\$ 618,406	\$ 81,676	\$ 536,730	\$ (10,996)	\$ 525,734	\$ 0.252	\$ 0.236	
Restructuring charges and IPR&D	-	-	-	-	(34,901)	34,901	-	34,901	3,123	31,778	-	31,778	\$ 0.015	\$ 0.014	
EMC Consolidated Adjusted (1)	3,830,774	1,711,843	402,970	1,128,875	-	587,086	66,221	653,307	84,799	568,508	(10,996)	557,512	\$ 0.267	\$ 0.251	
Stock-based compensation expense	-	(15,157)	(30,837)	(50,220)	-	96,214	-	96,214	17,719	78,495	(4,089)	74,406	\$ 0.036	\$ 0.034	
Intangible amortization	-	(31,400)	(4,871)	(20,797)	-	57,068	-	57,068	19,955	37,113	(581)	36,532	\$ 0.018	\$ 0.017	
EMC Consolidated Non-GAAP (2)	<u>\$ 3,830,774</u>	<u>\$ 1,665,286</u>	<u>\$ 367,262</u>	<u>\$ 1,057,858</u>	<u>\$ -</u>	<u>\$ 740,368</u>	<u>\$ 66,221</u>	<u>\$ 806,589</u>	<u>\$ 122,473</u>	<u>\$ 684,116</u>	<u>\$ (15,665)</u>	<u>\$ 668,451</u>	<u>\$ 0.320</u>	<u>\$ 0.301</u>	
EMC Information Infrastructure GAAP	\$ 3,418,367	\$ 1,644,155	\$ 309,541	\$ 950,552	\$ 34,901	\$ 479,218	\$ 59,435	\$ 538,653	\$ 77,748	\$ 460,905	\$ -	\$ 460,905	\$ 0.221	\$ 0.209	
Restructuring charges and IPR&D	-	-	-	-	(34,901)	34,901	-	34,901	3,123	31,778	-	31,778	\$ 0.015	\$ 0.014	
EMC Information Infrastructure Adjusted (3)	3,418,367	1,644,155	309,541	950,552	-	514,119	59,435	573,554	80,871	492,683	-	492,683	\$ 0.236	\$ 0.223	
Stock-based compensation expense	-	(10,557)	(15,708)	(35,362)	-	61,627	-	61,627	12,192	49,435	-	49,435	\$ 0.024	\$ 0.022	
Intangible amortization	-	(26,011)	(4,871)	(19,628)	-	50,510	-	50,510	17,524	32,986	-	32,986	\$ 0.016	\$ 0.015	
EMC Information Infrastructure Non-GAAP (4)	<u>\$ 3,418,367</u>	<u>\$ 1,607,587</u>	<u>\$ 288,962</u>	<u>\$ 895,562</u>	<u>\$ -</u>	<u>\$ 626,256</u>	<u>\$ 59,435</u>	<u>\$ 685,691</u>	<u>\$ 110,587</u>	<u>\$ 575,104</u>	<u>\$ -</u>	<u>\$ 575,104</u>	<u>\$ 0.276</u>	<u>\$ 0.260</u>	
VMware standalone GAAP	\$ 412,475	\$ 67,182	\$ 91,562	\$ 177,257	\$ -	\$ 76,474	\$ 6,786	\$ 83,260	\$ 5,105	\$ 78,155	\$ -	\$ 78,155	\$ 0.037	\$ 0.035	
GAAP adjustments and eliminations	(68)	506	1,867	1,066	-	(3,507)	-	(3,507)	(1,177)	(2,330)	(10,996)	(13,326)	\$ (0.006)	\$ (0.008)	
VMware within EMC	412,407	67,688	93,429	178,323	-	72,967	6,786	79,753	3,928	75,825	(10,996)	64,829	\$ 0.031	\$ 0.028	
Stock-based compensation expense	-	(4,600)	(15,129)	(14,858)	-	34,587	-	34,587	5,527	29,060	(4,089)	24,971	\$ 0.012	\$ 0.011	
Intangible amortization	-	(5,389)	-	(1,169)	-	6,558	-	6,558	2,431	4,127	(581)	3,546	\$ 0.002	\$ 0.002	
VMware within EMC Non-GAAP (5)	<u>\$ 412,407</u>	<u>\$ 57,699</u>	<u>\$ 78,300</u>	<u>\$ 162,296</u>	<u>\$ -</u>	<u>\$ 114,112</u>	<u>\$ 6,786</u>	<u>\$ 120,898</u>	<u>\$ 11,886</u>	<u>\$ 109,012</u>	<u>\$ (15,665)</u>	<u>\$ 93,346</u>	<u>\$ 0.045</u>	<u>\$ 0.041</u>	
													Wtd. Average Share O/S	2,086,259	2,210,008

- (1) Represents EMC Consolidated GAAP excluding restructuring charges and IPR&D.
(2) Represents EMC Consolidated Adjusted excluding stock-based compensation expense and intangible amortization.
(3) Represents EMC Information Infrastructure GAAP excluding restructuring charges and IPR&D.
(4) Represents EMC Information Infrastructure Adjusted less stock-based compensation expense and intangible amortization.
(5) Represents VMware within EMC excluding stock-based compensation expense and intangible amortization.

Note: schedule may not add due to rounding

Reconciliation of GAAP to Non-GAAP
For the Three Months Ended December 31, 2006
(in thousands, except per share amounts)
Unaudited

	Revenue	Cost of Revenue	Research and Development	Selling, General and Administrative	Restructuring and IPR&D	Operating Income	Other Income, net	Income Before Taxes	Income Tax Provision	Net Income	Net Income per Weighted Average Share, Basic	Net Income per Weighted Average Share, Diluted
EMC Consolidated GAAP	\$ 3,214,574	\$ 1,476,449	\$ 358,973	\$ 913,948	\$ 166,923	\$ 298,281	\$ 13,774	\$ 312,055	\$ (76,714)	\$ 388,769	\$ 0.183	\$ 0.180
Restructuring charges	-	-	-	-	(166,923)	166,923	-	166,923	37,833	129,090	\$ 0.061	\$ 0.060
Tax benefits	-	-	-	-	-	-	-	-	111,590	(111,590)	\$ (0.053)	\$ (0.052)
EMC Consolidated Adjusted (1)	3,214,574	1,476,449	358,973	913,948	-	465,204	13,774	478,978	72,709	406,269	\$ 0.191	\$ 0.188
Stock-based compensation expense	-	(16,914)	(27,917)	(54,345)	-	99,176	-	99,176	25,780	73,396	\$ 0.035	\$ 0.034
Intangible amortization	-	(27,757)	(1,977)	(13,931)	-	43,665	-	43,665	15,654	28,011	\$ 0.013	\$ 0.013
EMC Consolidated Non-GAAP (2)	<u>\$ 3,214,574</u>	<u>\$ 1,431,778</u>	<u>\$ 329,079</u>	<u>\$ 845,672</u>	<u>\$ -</u>	<u>\$ 608,045</u>	<u>\$ 13,774</u>	<u>\$ 621,819</u>	<u>\$ 114,143</u>	<u>\$ 507,676</u>	<u>\$ 0.239</u>	<u>\$ 0.235</u>
EMC Information Infrastructure GAAP	\$ 2,982,543	\$ 1,437,056	\$ 311,640	\$ 807,555	\$ 166,923	\$ 259,369	\$ 12,527	\$ 271,896	\$ (84,039)	\$ 355,935	\$ 0.168	\$ 0.164
Restructuring charges	-	-	-	-	(166,923)	166,923	-	166,923	37,833	129,090	\$ 0.061	\$ 0.060
Tax benefits	-	-	-	-	-	-	-	-	111,590	(111,590)	\$ (0.053)	\$ (0.052)
EMC Information Infrastructure Adjusted (3)	2,982,543	1,437,056	311,640	807,555	-	426,292	12,527	438,819	65,384	373,435	\$ 0.176	\$ 0.173
Stock-based compensation expense	-	(16,159)	(18,915)	(47,896)	-	82,970	-	82,970	21,887	61,083	\$ 0.029	\$ 0.028
Intangible amortization	-	(22,223)	(1,977)	(13,013)	-	37,213	-	37,213	13,202	24,011	\$ 0.011	\$ 0.011
EMC Information Infrastructure Non-GAAP (4)	<u>\$ 2,982,543</u>	<u>\$ 1,398,674</u>	<u>\$ 290,748</u>	<u>\$ 746,646</u>	<u>\$ -</u>	<u>\$ 546,475</u>	<u>\$ 12,527</u>	<u>\$ 559,002</u>	<u>\$ 100,473</u>	<u>\$ 458,529</u>	<u>\$ 0.216</u>	<u>\$ 0.212</u>
VMware standalone GAAP	\$ 229,581	\$ 37,250	\$ 50,131	\$ 105,691	\$ -	\$ 36,509	\$ 1,234	\$ 37,743	\$ 6,764	\$ 30,979	\$ 0.015	\$ 0.014
GAAP adjustments and eliminations	2,450	2,143	(2,798)	702	-	2,403	13	2,416	561	1,855	\$ 0.001	\$ 0.001
VMware within EMC	232,031	39,393	47,333	106,393	-	38,912	1,247	40,159	7,325	32,834	\$ 0.015	\$ 0.015
Stock-based compensation expense	-	(755)	(9,002)	(6,449)	-	16,206	-	16,206	3,893	12,313	\$ 0.006	\$ 0.006
Intangible amortization	-	(5,534)	-	(918)	-	6,452	-	6,452	2,452	4,000	\$ 0.002	\$ 0.002
VMware within EMC Non-GAAP (5)	<u>\$ 232,031</u>	<u>\$ 33,104</u>	<u>\$ 38,331</u>	<u>\$ 99,026</u>	<u>\$ -</u>	<u>\$ 61,570</u>	<u>\$ 1,247</u>	<u>\$ 62,817</u>	<u>\$ 13,670</u>	<u>\$ 49,147</u>	<u>\$ 0.023</u>	<u>\$ 0.023</u>
										Wtd. Average Share O/S	<u>2,124,625</u>	<u>2,164,518</u>

- (1) Represents EMC Consolidated GAAP excluding restructuring charges and special tax benefits.
(2) Represents EMC Consolidated Adjusted excluding stock-based compensation expense and intangible amortization.
(3) Represents EMC Information Infrastructure GAAP excluding restructuring charges and special tax benefits.
(4) Represents EMC Information Infrastructure Adjusted excluding stock-based compensation expense and intangible amortization.
(5) Represents VMware within EMC excluding stock-based compensation expense and intangible amortization.

Note: schedule may not add due to rounding

Reconciliation of GAAP to Non-GAAP
For the Year Ended December 31, 2007
(in thousands, except per share amounts)
Unaudited

	Revenue	Cost of Revenue	Research and Development	Selling, General and Administrative	Restructuring and IPR&D	Operating Income	Other Income, net	Income Before Taxes and Minority Interest	Income Tax Provision	Income Before Minority Interest	Minority Interest	Net Income	Net Income per Weighted Average Share, Basic	Net Income per Weighted Average Share, Diluted	
EMC Consolidated GAAP	\$ 13,230,205	\$ 6,018,877	\$ 1,526,928	\$ 3,912,688	\$ 32,460	\$ 1,739,252	\$ 320,317	\$ 2,059,569	\$ 378,446	\$ 1,681,123	\$ (15,455)	\$ 1,665,668	\$ 0.801	\$ 0.770	
Restructuring charges and IPR&D	-	-	-	-	(34,901)	34,901	-	34,901	3,123	31,778	-	31,778	\$ 0.015	\$ 0.015	
Net gains on investments, including gain on sale of VMware stock	-	-	-	-	-	-	(137,330)	(137,330)	(22,180)	(115,150)	-	(115,150)	\$ (0.055)	\$ (0.053)	
Tax benefits	-	-	-	-	-	-	-	-	19,912	(19,912)	-	(19,912)	\$ (0.010)	\$ (0.009)	
EMC Consolidated Adjusted (1)	13,230,205	6,018,877	1,526,928	3,912,688	(2,441)	1,774,153	182,987	1,957,140	379,301	1,577,839	(15,455)	1,562,384	\$ 0.751	\$ 0.722	
Stock-based compensation expense	-	(57,223)	(108,041)	(202,136)	-	367,400	-	367,400	87,054	280,346	(5,793)	274,553	\$ 0.132	\$ 0.127	
Intangible amortization	-	(119,948)	(11,357)	(73,492)	-	204,797	-	204,797	72,019	132,778	(868)	131,910	\$ 0.063	\$ 0.061	
EMC Consolidated Non-GAAP (2)	<u>\$ 13,230,205</u>	<u>\$ 5,841,706</u>	<u>\$ 1,407,530</u>	<u>\$ 3,637,060</u>	<u>\$ (2,441)</u>	<u>\$ 2,346,350</u>	<u>\$ 182,987</u>	<u>\$ 2,529,337</u>	<u>\$ 538,374</u>	<u>\$ 1,990,963</u>	<u>\$ (22,115)</u>	<u>\$ 1,968,848</u>	<u>\$ 0.947</u>	<u>\$ 0.910</u>	
EMC Information Infrastructure GAAP	\$ 11,909,392	\$ 5,800,529	\$ 1,228,810	\$ 3,322,169	\$ 32,460	\$ 1,525,424	\$ 315,180	\$ 1,840,604	\$ 361,419	\$ 1,479,185	\$ -	\$ 1,479,185	\$ 0.711	\$ 0.685	
Restructuring charges and IPR&D	-	-	-	-	(34,901)	34,901	-	34,901	3,123	31,778	-	31,778	\$ 0.015	\$ 0.015	
Net gains on investments, including gain on sale of VMware stock	-	-	-	-	-	-	(137,330)	(137,330)	(22,180)	(115,150)	-	(115,150)	\$ (0.055)	\$ (0.053)	
Tax benefits	-	-	-	-	-	-	-	-	19,912	(19,912)	-	(19,912)	\$ (0.010)	\$ (0.009)	
EMC Information Infrastructure Adjusted (3)	11,909,392	5,800,529	1,228,810	3,322,169	(2,441)	1,560,325	177,850	1,738,175	362,274	1,375,901	-	1,375,901	\$ 0.662	\$ 0.638	
Stock-based compensation expense	-	(48,693)	(65,235)	(159,531)	-	273,459	-	273,459	66,785	206,674	-	206,674	\$ 0.099	\$ 0.096	
Intangible amortization	-	(98,776)	(11,357)	(68,923)	-	179,056	-	179,056	62,490	116,566	-	116,566	\$ 0.056	\$ 0.054	
EMC Information Infrastructure Non-GAAP (4)	<u>\$ 11,909,392</u>	<u>\$ 5,653,060</u>	<u>\$ 1,152,218</u>	<u>\$ 3,093,715</u>	<u>\$ (2,441)</u>	<u>\$ 2,012,840</u>	<u>\$ 177,850</u>	<u>\$ 2,190,690</u>	<u>\$ 491,548</u>	<u>\$ 1,699,142</u>	<u>\$ -</u>	<u>\$ 1,699,142</u>	<u>\$ 0.817</u>	<u>\$ 0.787</u>	
VMware standalone GAAP	\$ 1,325,811	\$ 218,674	\$ 285,941	\$ 585,855	\$ -	\$ 235,341	\$ 5,137	\$ 240,478	\$ 22,341	\$ 218,137	\$ -	\$ 218,137	\$ 0.105	\$ 0.101	
GAAP adjustments and eliminations	(4,998)	(326)	12,177	4,664	-	(21,513)	-	(21,513)	(5,314)	(16,199)	(15,455)	(31,654)	\$ (0.015)	\$ (0.017)	
VMware within EMC	1,320,813	218,348	298,118	590,519	-	213,828	5,137	218,965	17,027	201,938	(15,455)	186,483	\$ 0.090	\$ 0.084	
Stock-based compensation expense	-	(8,530)	(42,806)	(42,605)	-	93,941	-	93,941	20,269	73,672	(5,793)	67,879	\$ 0.033	\$ 0.031	
Intangible amortization	-	(21,172)	-	(4,569)	-	25,741	-	25,741	9,529	16,212	(868)	15,344	\$ 0.007	\$ 0.007	
VMware within EMC Non-GAAP (5)	<u>\$ 1,320,813</u>	<u>\$ 188,646</u>	<u>\$ 255,312</u>	<u>\$ 543,345</u>	<u>\$ -</u>	<u>\$ 333,510</u>	<u>\$ 5,137</u>	<u>\$ 338,647</u>	<u>\$ 46,825</u>	<u>\$ 291,822</u>	<u>\$ (22,115)</u>	<u>\$ 269,706</u>	<u>\$ 0.130</u>	<u>\$ 0.123</u>	
													Wtd. Average Share O/S	<u>2,079,542</u>	<u>2,157,873</u>

- (1) Represents EMC Consolidated GAAP excluding restructuring charges, IPR&D, net gains on investments, including the gain on sale of VMware stock and special tax benefits.
(2) Represents EMC Consolidated Adjusted excluding stock-based compensation expense and intangible amortization.
(3) Represents EMC Information Infrastructure GAAP excluding restructuring charges, IPR&D, net gains on investments, including the gain on sale of VMware stock and special tax benefits.
(4) Represents EMC Information Infrastructure Adjusted less stock-based compensation expense and intangible amortization.
(5) Represents VMware within EMC excluding stock-based compensation expense and intangible amortization.

Note: schedule may not add due to rounding

Reconciliation of GAAP to Non-GAAP
For the Year Ended December 31, 2006
(in thousands, except per share amounts)
Unaudited

	Revenue	Cost of Revenue	Research and Development	Selling, General and Administrative	Restructuring and IPR&D	Operating Income	Other Income, net	Income Before Taxes	Income Tax Provision	Cumulative Effect of a Change in Accounting Principle	Net Income	Net Income per Weighted Average Share, Basic	Net Income per Weighted Average Share, Diluted
EMC Consolidated GAAP	\$ 11,155,090	\$ 5,241,891	\$ 1,254,193	\$ 3,253,274	\$ 197,974	\$ 1,207,758	\$ 182,260	\$ 1,390,018	\$ 162,664	\$ 247	\$ 1,227,601	\$ 0.546	\$ 0.537
Restructuring charges and IPR&D	-	-	-	-	(201,947)	201,947	-	201,947	37,833	-	164,114	\$ 0.073	\$ 0.072
Tax benefits	-	-	-	-	-	-	-	-	144,856	-	(144,856)	\$ (0.064)	\$ (0.063)
EMC Consolidated Adjusted (1)	11,155,090	5,241,891	1,254,193	3,253,274	(3,973)	1,409,705	182,260	1,591,965	345,353	247	1,246,859	\$ 0.555	\$ 0.546
Stock-based compensation expense	-	(66,288)	(107,481)	(224,918)	-	398,687	-	398,687	89,362	(247)	309,078	\$ 0.137	\$ 0.135
Intangible amortization	-	(94,333)	(12,600)	(46,091)	-	153,024	-	153,024	53,967	-	99,057	\$ 0.044	\$ 0.043
EMC Consolidated Non-GAAP (2)	<u>\$ 11,155,090</u>	<u>\$ 5,081,270</u>	<u>\$ 1,134,112</u>	<u>\$ 2,982,265</u>	<u>\$ (3,973)</u>	<u>\$ 1,961,416</u>	<u>\$ 182,260</u>	<u>\$ 2,143,676</u>	<u>\$ 488,682</u>	<u>\$ -</u>	<u>\$ 1,654,994</u>	<u>\$ 0.736</u>	<u>\$ 0.724</u>
EMC Information Infrastructure GAAP	\$ 10,446,054	\$ 5,114,440	\$ 1,110,661	\$ 2,948,874	\$ 194,274	\$ 1,077,805	\$ 180,352	\$ 1,258,157	\$ 123,691	\$ 72	\$ 1,134,538	\$ 0.505	\$ 0.496
Restructuring charges and IPR&D	-	-	-	-	(198,247)	198,247	-	198,247	37,833	-	160,414	\$ 0.071	\$ 0.070
Tax benefits	-	-	-	-	-	-	-	-	144,856	-	(144,856)	\$ (0.064)	\$ (0.063)
EMC Information Infrastructure Adjusted (3)	10,446,054	5,114,440	1,110,661	2,948,874	(3,973)	1,276,052	180,352	1,456,404	306,380	72	1,150,096	\$ 0.512	\$ 0.503
Stock-based compensation expense	-	(63,805)	(81,139)	(202,518)	-	347,462	-	347,462	77,134	(72)	270,256	\$ 0.120	\$ 0.118
Intangible amortization	-	(72,491)	(12,600)	(42,411)	-	127,502	-	127,502	44,269	-	83,233	\$ 0.037	\$ 0.036
EMC Information Infrastructure Non-GAAP (4)	<u>\$ 10,446,054</u>	<u>\$ 4,978,144</u>	<u>\$ 1,016,922</u>	<u>\$ 2,703,945</u>	<u>\$ (3,973)</u>	<u>\$ 1,751,016</u>	<u>\$ 180,352</u>	<u>\$ 1,931,368</u>	<u>\$ 427,783</u>	<u>\$ -</u>	<u>\$ 1,503,585</u>	<u>\$ 0.669</u>	<u>\$ 0.658</u>
VMware standalone GAAP	\$ 703,904	\$ 123,382	\$ 148,254	\$ 307,929	\$ 3,700	\$ 120,639	\$ 1,908	\$ 122,547	\$ 36,832	\$ 175	\$ 85,890	\$ 0.038	\$ 0.038
GAAP adjustments and eliminations	5,132	4,069	(4,722)	(3,529)	-	9,314	-	9,314	2,141	-	7,173	\$ 0.003	\$ 0.003
VMware within EMC GAAP	709,036	127,451	143,532	304,400	3,700	129,953	1,908	131,861	38,973	175	93,063	\$ 0.041	\$ 0.041
IPR&D	-	-	-	-	(3,700)	3,700	-	3,700	-	-	3,700	\$ 0.002	\$ 0.002
VMware within EMC Adjusted (5)	709,036	127,451	143,532	304,400	-	133,653	1,908	135,561	38,973	175	96,763	\$ 0.043	\$ 0.042
Stock-based compensation expense	-	(2,483)	(26,342)	(22,400)	-	51,225	-	51,225	12,228	(175)	38,822	\$ 0.017	\$ 0.017
Intangible amortization	-	(21,842)	-	(3,680)	-	25,522	-	25,522	9,698	-	15,824	\$ 0.007	\$ 0.007
VMware within EMC Non-GAAP (6)	<u>\$ 709,036</u>	<u>\$ 103,126</u>	<u>\$ 117,190</u>	<u>\$ 278,320</u>	<u>\$ -</u>	<u>\$ 210,400</u>	<u>\$ 1,908</u>	<u>\$ 212,308</u>	<u>\$ 60,899</u>	<u>\$ -</u>	<u>\$ 151,409</u>	<u>\$ 0.067</u>	<u>\$ 0.066</u>
											Wtd. Average Share O/S	2,248.431	2,286.304

- (1) Represents EMC Consolidated GAAP excluding restructuring charges, IPR&D and special tax benefits.
(2) Represents EMC Consolidated Adjusted excluding stock-based compensation expense and intangible amortization.
(3) Represents EMC Information Infrastructure GAAP excluding restructuring charges, IPR&D and special tax benefits.
(4) Represents EMC Information Infrastructure Adjusted excluding stock-based compensation expense and intangible amortization.
(5) Represents VMware within EMC GAAP excluding IPR&D.
(6) Represents VMware within EMC Adjusted excluding stock-based compensation expense and intangible amortization.

Note: schedule may not add due to rounding

EMC CORPORATION
Consolidated Balance Sheets
(in thousands, except per share amounts)
Unaudited

	December 31, 2007	December 31, 2006
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,482,211	\$ 1,828,106
Short-term investments	1,644,703	1,521,925
Accounts and notes receivable, less allowance for doubtful accounts of \$34,389 and \$39,509	2,307,512	1,692,214
Inventories	877,243	834,800
Deferred income taxes	475,544	418,146
Other current assets	265,889	225,396
Total current assets	10,053,102	6,520,587
Long-term investments	1,845,572	2,246,290
Property, plant and equipment, net	2,159,396	2,035,559
Deferred income taxes	-	104,446
Intangible assets, net	940,077	1,003,549
Other assets, net	755,001	638,655
Goodwill, net	6,531,506	6,017,161
Total assets	\$ 22,284,654	\$ 18,566,247
 LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 840,886	\$ 680,263
Accrued expenses	1,696,309	1,592,022
Income taxes payable	146,104	63,806
Deferred revenue	1,724,909	1,325,671
Total current liabilities	4,408,208	3,661,762
Income taxes payable	246,951	219,342
Deferred revenue	1,053,394	780,124
Deferred income taxes	288,175	-
Long-term convertible debt	3,450,000	3,450,000
Other liabilities	127,621	129,312
Total Liabilities	9,574,349	8,240,540
Minority interest ⁽¹⁾	188,988	-
Commitments and contingencies		
Stockholders' equity:		
Series preferred stock, par value \$.01; authorized 25,000 shares, none outstanding	-	-
Common stock, par value \$.01; authorized 6,000,000 shares; issued 2,102,187 and 2,122,339 shares	21,022	21,223
Additional paid-in capital	3,038,455	2,560,935
Retained earnings	9,470,289	7,798,112
Accumulated other comprehensive loss	(8,449)	(54,563)
Total stockholders' equity	12,521,317	10,325,707
Total liabilities and stockholders' equity	\$ 22,284,654	\$ 18,566,247

(1) Represents minority interest in the stockholders' equity of VMware which equaled approximately 14% of VMware's stockholders' equity.

EMC CORPORATION
Consolidated Statements of Cash Flows
(in thousands)
Unaudited

	<u>Twelve Months Ended</u>	
	<u>December 31, 2007</u>	<u>December 31, 2006</u>
Cash flows from operating activities:		
Cash received from customers	\$ 13,333,489	\$ 11,167,249
Cash paid to suppliers and employees	(10,182,600)	(8,666,586)
Dividends and interest received	254,062	258,631
Interest paid	(76,025)	(26,804)
Income taxes paid	(202,324)	(592,066)
Net cash provided by operating activities	<u>3,126,602</u>	<u>2,140,424</u>
Cash flows from investing activities:		
Additions to property, plant and equipment	(699,038)	(718,095)
Capitalized software development costs	(232,047)	(192,895)
Purchases of short and long-term available for sale securities	(6,204,762)	(6,611,698)
Sales and maturities of short and long-term available for sale securities	6,527,027	7,865,264
Proceeds from the sale of EMC's interest in VMware to Cisco	150,000	-
Business acquisitions, net of cash acquired	(692,003)	(2,618,376)
Other	(12,074)	(20,860)
Net cash used in investing activities	<u>(1,162,897)</u>	<u>(2,296,660)</u>
Cash flows from financing activities:		
Issuance of common stock from the exercise of stock options	782,449	257,789
Proceeds from the sale of VMware's common stock	1,253,533	-
Issuance of VMware's common stock from the exercise of stock options	2,760	-
Repurchase of EMC common stock	(1,453,669)	(3,655,404)
Excess tax benefits from stock based compensation	91,782	20,025
Payment of long-term and short-term obligations	(17,178)	(2,331,587)
Proceeds from long-term and short-term obligations	19,815	5,654,004
Purchase of call options	-	(669,076)
Sale of warrants	-	391,144
Debt issuance costs	-	(58,863)
Net cash provided by (used in) financing activities	<u>679,492</u>	<u>(391,968)</u>
Effect of exchange rate changes on cash	10,908	53,940
Net increase (decrease) in cash and cash equivalents	2,654,105	(494,264)
Cash and cash equivalents at beginning of period	1,828,106	2,322,370
Cash and cash equivalents at end of period	<u>\$ 4,482,211</u>	<u>\$ 1,828,106</u>
Reconciliation of net income to net cash provided		
by operating activities:		
Net income	\$ 1,665,668	\$ 1,227,601
Adjustments to reconcile net income to net cash		
provided by operating activities:		
Cumulative effect of a change in accounting principle	-	(247)
Minority interest in VMware	15,455	-
Net gain on investments, including gain on sale of VMware stock	(137,330)	-
Depreciation and amortization	917,274	764,162
Non-cash restructuring and other special charges	3,778	75,889
Stock-based compensation expense	367,404	398,687
Increase in provision for doubtful accounts	8,885	10,290
Deferred income taxes, net	(68,397)	(131,966)
Excess tax benefits from stock based compensation	(91,782)	(20,025)
Other	3,850	27,271
Changes in assets and liabilities, net of acquisitions:		
Accounts and notes receivable	(576,422)	(232,295)
Inventories	13,574	(69,567)
Other assets	(97,277)	(31,822)
Accounts payable	155,296	59,631
Accrued expenses	35,934	133,856
Income taxes payable	243,216	(297,936)
Deferred revenue	670,820	234,164
Other liabilities	(3,344)	(7,269)
Net cash provided by operating activities	<u>\$ 3,126,602</u>	<u>\$ 2,140,424</u>

EMC CORPORATION
Reconciliation of Cash Flow from Operations to Free Cash Flow
(in thousands)
Unaudited

	Q4 2006	Q4 2007	2006	2007
EMC Consolidated:				
Cash flow from Operations	\$ 652,927	\$ 978,709	\$ 2,140,424	\$ 3,126,602
Capital Expenditures	(212,041)	(197,576)	(718,095)	(699,038)
Capitalized Software	<u>(40,281)</u>	<u>(68,697)</u>	<u>(192,895)</u>	<u>(232,047)</u>
Free Cash Flow	\$ 400,605	\$ 712,436	\$ 1,229,434	\$ 2,195,517
VMware within EMC:				
Cash flow from Operations	\$ 100,253	\$ 84,134	\$ 390,152	\$ 615,465
Capital Expenditures	(45,563)	(45,101)	(115,269)	(204,141)
Capitalized Software	<u>(2,150)</u>	<u>(14,877)</u>	<u>(31,752)</u>	<u>(48,022)</u>
Free Cash Flow	\$ 52,540	\$ 24,156	\$ 243,131	\$ 363,302
EMC Information Infrastructure:				
Cash flow from Operations	\$ 552,674	\$ 894,575	\$ 1,750,272	\$ 2,511,137
Capital Expenditures	(166,478)	(152,475)	(602,826)	(494,897)
Capitalized Software	<u>(38,131)</u>	<u>(53,820)</u>	<u>(161,143)</u>	<u>(184,025)</u>
Free Cash Flow	\$ 348,065	\$ 688,280	\$ 986,303	\$ 1,832,215

Free cash flow for VMware and EMC excludes the change in the intercompany due to/due from balances. Additionally, capital expenditures for VMware's headquarters facilities which were reimbursed by EMC during 2006 and 2007 have been classified as VMware capital expenditures as incurred. Including the change in the intercompany due to/due from balances and excluding capital expenditures for VMware's headquarters facilities as VMware expenditures as incurred results in free cash flow for VMware of \$109,744 for the quarter ended December 31, 2006, \$103,596 for the quarter ended December 31, 2007, \$194,766 for the year ended December 31, 2006 and \$368,306 for the year ended December 31, 2007. Including the change in the intercompany due to/due from balances and excluding capital expenditures for VMware's headquarters facilities as VMware expenditures as incurred results in free cash flow for EMC Information Infrastructure of \$290,861 for the quarter ended December 31, 2006, \$608,840 for the quarter ended December 31, 2007, \$1,034,668 for the year ended December 31, 2006 and \$1,827,211 for the year ended December 31, 2007.

EMC Corporation
Supplemental Financial Data
Revenue Analysis
(in thousands)
Unaudited

Revenue Components

	<u>Q1 2006</u>	<u>Q2 2006</u>	<u>Q3 2006</u>	<u>Q4 2006</u>	<u>YTD 2006</u>	<u>Q1 2007</u>	<u>Q2 2007</u>	<u>Q3 2007</u>	<u>Q4 2007</u>	<u>YTD 2007</u>
Revenues										
Systems	\$ 1,226,928	\$ 1,151,600	\$ 1,299,321	\$ 1,462,777	\$ 5,140,626	\$ 1,305,766	\$ 1,354,438	\$ 1,411,367	\$ 1,688,565	\$ 5,760,136
Software:										
Software License	621,602	681,998	736,331	897,485	2,937,416	806,660	867,917	921,517	1,055,746	3,651,840
Software Maintenance	303,202	315,189	345,650	371,163	1,335,204	382,080	400,233	426,198	472,264	1,680,775
Total Software License & Maintenance	924,804	997,187	1,081,981	1,268,648	4,272,620	1,188,740	1,268,150	1,347,715	1,528,010	5,332,615
Professional, Systems Maintenance and Other Services	396,081	423,525	431,989	481,471	1,733,066	478,972	500,798	539,609	613,095	2,132,474
	2,547,813	2,572,312	2,813,291	3,212,896	11,146,312	2,973,478	3,123,386	3,298,691	3,829,670	13,225,225
Other Businesses	2,874	2,211	2,015	1,678	8,778	1,527	1,286	1,063	1,104	4,980
Total Consolidated Revenues	\$ 2,550,687	\$ 2,574,523	\$ 2,815,306	\$ 3,214,574	\$ 11,155,090	\$ 2,975,005	\$ 3,124,672	\$ 3,299,754	\$ 3,830,774	\$ 13,230,205
Percentage impact to EMC revenue growth rate due to changes in exchange rates from the prior year	(2.1)%	(1.1)%	0.7%	1.4%	(0.2)%	2.1%	2.1%	1.8%	3.2%	2.3%

EMC Corporation
Supplemental Financial Data
Revenue Analysis
(in thousands)
Unaudited

Supplemental Revenue Data

	<u>Q1 2006</u>	<u>Q2 2006</u>	<u>Q3 2006</u>	<u>Q4 2006</u>	<u>YTD 2006</u>	<u>Q1 2007</u>	<u>Q2 2007</u>	<u>Q3 2007</u>	<u>Q4 2007</u>	<u>YTD 2007</u>
Storage Systems Revenue	\$ 1,222,624	\$ 1,147,892	\$ 1,295,524	\$ 1,458,740	\$ 5,124,780	\$ 1,302,740	\$ 1,347,357	\$ 1,405,139	\$ 1,682,395	\$ 5,737,631
Storage Software License Revenue	446,720	493,002	524,679	550,856	2,015,257	486,558	512,521	515,056	561,622	2,075,757
Storage Maintenance and Services Revenue	583,010	610,015	619,496	656,020	2,468,541	637,630	668,140	703,092	788,630	2,797,492
Total Storage Revenue	<u>\$ 2,252,354</u>	<u>\$ 2,250,909</u>	<u>\$ 2,439,699</u>	<u>\$ 2,665,616</u>	<u>\$ 9,608,578</u>	<u>\$ 2,426,928</u>	<u>\$ 2,528,018</u>	<u>\$ 2,623,287</u>	<u>\$ 3,032,647</u>	<u>\$ 10,610,880</u>
Content Management and Archiving Systems Revenue	\$ 4,304	\$ 3,708	\$ 87	\$ 522	\$ 8,621	\$ 68	\$ 1,708	\$ 1,485	\$ 2,157	\$ 5,418
Content Management and Archiving Software License Revenue	83,038	75,161	59,092	106,302	323,593	68,472	69,046	79,247	115,305	332,070
Content Management and Archiving Maintenance and Services Revenue	79,978	87,253	90,173	96,172	353,576	103,658	102,848	108,580	120,664	435,750
Total Content Management and Archiving Revenue	<u>\$ 167,320</u>	<u>\$ 166,122</u>	<u>\$ 149,352</u>	<u>\$ 202,996</u>	<u>\$ 685,790</u>	<u>\$ 172,198</u>	<u>\$ 173,602</u>	<u>\$ 189,312</u>	<u>\$ 238,126</u>	<u>\$ 773,238</u>
Security Systems Revenue	\$ -	\$ -	\$ 3,710	\$ 3,515	\$ 7,225	\$ 2,958	\$ 5,373	\$ 4,743	\$ 4,013	\$ 17,087
Security Software License Revenue	-	-	27,084	76,835	103,919	81,934	81,300	82,979	94,604	340,817
Security Maintenance and Services Revenue	-	-	6,961	33,581	40,542	34,969	38,282	45,142	48,978	167,371
Total Security Revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,755</u>	<u>\$ 113,931</u>	<u>\$ 151,686</u>	<u>\$ 119,861</u>	<u>\$ 124,955</u>	<u>\$ 132,864</u>	<u>\$ 147,595</u>	<u>\$ 525,275</u>
EMC Information Infrastructure Systems Revenue	\$ 1,226,928	\$ 1,151,600	\$ 1,299,321	\$ 1,462,777	\$ 5,140,626	\$ 1,305,766	\$ 1,354,438	\$ 1,411,367	\$ 1,688,565	\$ 5,760,136
EMC Information Infrastructure Software License Revenue	529,758	568,163	610,855	733,993	2,442,769	636,964	662,867	677,282	771,531	2,748,644
EMC Information Infrastructure Maintenance and Services Revenue	662,988	697,268	716,630	785,773	2,862,659	776,257	809,270	856,814	958,272	3,400,613
Total EMC Information Infrastructure Revenue	<u>\$ 2,419,674</u>	<u>\$ 2,417,031</u>	<u>\$ 2,626,806</u>	<u>\$ 2,982,543</u>	<u>\$ 10,446,054</u>	<u>\$ 2,718,987</u>	<u>\$ 2,826,575</u>	<u>\$ 2,945,463</u>	<u>\$ 3,418,368</u>	<u>\$ 11,909,393</u>
VMware Software License Revenue	\$ 91,844	\$ 113,835	\$ 125,476	\$ 163,492	\$ 494,647	\$ 169,696	\$ 205,050	\$ 244,235	\$ 284,215	\$ 903,196
VMware Maintenance and Services Revenue	39,169	43,657	63,024	68,539	214,389	86,322	93,047	110,056	128,191	417,616
Total VMware Revenue	<u>\$ 131,013</u>	<u>\$ 157,492</u>	<u>\$ 188,500</u>	<u>\$ 232,031</u>	<u>\$ 709,036</u>	<u>\$ 256,018</u>	<u>\$ 298,097</u>	<u>\$ 354,291</u>	<u>\$ 412,406</u>	<u>\$ 1,320,812</u>

Reconciliation of GAAP to Non-GAAP
For the Three Months Ended September 30, 2007
(in thousands, except per share amounts)
Unaudited

	Revenue	Cost of Revenue	Research and Development	Selling, General and Administrative	Restructuring and IPR&D	Operating Income	Other Income, net	Income Before Taxes and Minority Interest	Income Tax Provision	Income Before Minority Interest	Minority Interest	Net Income	Net Income per Weighted Average Share, Basic	Net Income per Weighted Average Share, Diluted
EMC Consolidated GAAP	\$ 3,299,754	\$ 1,478,110	\$ 383,600	\$ 983,774	\$ 229	\$ 454,041	\$ 179,728	\$ 633,769	\$ 136,390	\$ 497,379	\$ (4,459)	\$ 492,920	\$ 0.237	\$ 0.226
Net gains on investments, including gain on sale of VMware stock	-	-	-	-	-	-	(137,330)	(137,330)	(22,180)	(115,150)	-	(115,150)	\$ (0.055)	\$ (0.053)
EMC Consolidated Adjusted (1)	3,299,754	1,478,110	383,600	983,774	229	454,041	42,398	496,439	114,210	382,229	(4,459)	377,770	\$ 0.182	\$ 0.174
Stock based compensation expense	-	(15,059)	(29,029)	(56,545)	-	100,633	-	100,633	24,747	75,886	(1,704)	74,182	\$ 0.036	\$ 0.034
Intangible amortization	-	(30,356)	(2,206)	(18,328)	-	50,890	-	50,890	17,916	32,974	(287)	32,687	\$ 0.016	\$ 0.015
EMC Consolidated Non-GAAP (2)	\$ 3,299,754	\$ 1,432,695	\$ 352,365	\$ 908,901	\$ 229	\$ 605,564	\$ 42,398	\$ 647,962	\$ 156,873	\$ 491,089	\$ (6,450)	\$ 484,639	\$ 0.233	\$ 0.223
EMC Information Infrastructure GAAP	\$ 2,945,463	\$ 1,419,459	\$ 315,760	\$ 818,199	\$ 229	\$ 391,816	\$ 179,190	\$ 571,006	\$ 135,586	\$ 435,420	\$ -	\$ 435,420	\$ 0.209	\$ 0.200
Net gains on investments, including gain on sale of VMware stock	-	-	-	-	-	-	(137,330)	(137,330)	(22,180)	(115,150)	-	(115,150)	\$ (0.055)	\$ (0.053)
EMC Information Infrastructure Adjusted (3)	2,945,463	1,419,459	315,760	818,199	229	391,816	41,860	433,676	113,406	320,270	-	320,270	\$ 0.154	\$ 0.147
Stock based compensation expense	-	(12,652)	(15,996)	(40,248)	-	68,896	-	68,896	17,738	51,158	-	51,158	\$ 0.025	\$ 0.023
Intangible amortization	-	(25,003)	(2,206)	(17,071)	-	44,280	-	44,280	15,470	28,810	-	28,810	\$ 0.014	\$ 0.013
EMC Information Infrastructure Non-GAAP (4)	\$ 2,945,463	\$ 1,381,804	\$ 297,558	\$ 760,880	\$ 229	\$ 504,992	\$ 41,860	\$ 546,852	\$ 146,614	\$ 400,238	\$ -	\$ 400,238	\$ 0.192	\$ 0.184
VMware standalone GAAP	\$ 357,816	\$ 58,651	\$ 67,840	\$ 165,575	\$ -	\$ 65,750	\$ 538	\$ 66,288	\$ 1,610	\$ 64,678	\$ -	\$ 64,678	\$ 0.031	\$ 0.030
GAAP adjustments and eliminations	(3,525)	-	-	-	-	(3,525)	-	(3,525)	(806)	(2,719)	(4,459)	(7,178)	\$ (0.003)	\$ (0.003)
VMware within EMC	354,291	58,651	67,840	165,575	-	62,225	538	62,763	804	61,959	(4,459)	57,500	\$ 0.028	\$ 0.026
Stock based compensation expense	-	(2,407)	(13,033)	(16,297)	-	31,737	-	31,737	7,009	24,728	(1,704)	23,024	\$ 0.011	\$ 0.011
Intangible amortization	-	(5,353)	-	(1,257)	-	6,610	-	6,610	2,446	4,164	(287)	3,877	\$ 0.002	\$ 0.002
VMware within EMC Non-GAAP (5)	\$ 354,291	\$ 50,891	\$ 54,807	\$ 148,021	\$ -	\$ 100,572	\$ 538	\$ 101,110	\$ 10,259	\$ 90,851	\$ (6,450)	\$ 84,401	\$ 0.041	\$ 0.039

Wtd. Average Share O/S 2,080,507 2,177,259

- (1) Represents EMC Consolidated GAAP excluding net gains on investments, including the gain on sale of VMware stock.
(2) Represents EMC Consolidated Adjusted excluding stock-based compensation expense and intangible amortization.
(3) Represents EMC Information Infrastructure GAAP excluding net gains on investments, including the gain on sale of VMware stock.
(4) Represents EMC Information Infrastructure Adjusted excluding stock-based compensation expense and intangible amortization.
(5) Represents VMware within EMC excluding stock-based compensation expense and intangible amortization.

Note: schedule may not add due to rounding

Reconciliation of GAAP to Non-GAAP
For the Three Months Ended June 30, 2007
(in thousands, except per share amounts)
Unaudited

	Revenue	Cost of Revenue	Research and Development	Selling, General and Administrative	Restructuring and IPR&D	Operating Income	Other Income, net	Income Before Taxes	Income Tax Provision	Net Income	Net Income per Weighted Average Share, Basic	Net Income per Weighted Average Share, Diluted
EMC Consolidated GAAP	\$ 3,124,672	\$ 1,423,859	\$ 384,966	\$ 924,349	\$ -	\$ 391,498	\$ 35,682	\$ 427,180	\$ 92,773	\$ 334,407	\$ 0.161	\$ 0.158
Stock based compensation expense	-	(13,449)	(24,733)	(49,024)	-	87,206	-	87,206	21,863	65,343	\$ 0.032	\$ 0.031
Intangible amortization	-	(29,185)	(2,167)	(17,244)	-	48,596	-	48,596	17,108	31,488	\$ 0.015	\$ 0.015
EMC Consolidated Non-GAAP (1)	<u>\$ 3,124,672</u>	<u>\$ 1,381,225</u>	<u>\$ 358,066</u>	<u>\$ 858,081</u>	<u>\$ -</u>	<u>\$ 527,300</u>	<u>\$ 35,682</u>	<u>\$ 562,982</u>	<u>\$ 131,744</u>	<u>\$ 431,238</u>	<u>\$ 0.208</u>	<u>\$ 0.203</u>
EMC Information Infrastructure GAAP	\$ 2,826,575	\$ 1,374,377	\$ 314,019	\$ 792,161	\$ -	\$ 346,018	\$ 41,195	\$ 387,213	\$ 85,845	\$ 301,368	\$ 0.146	\$ 0.142
Stock based compensation expense	-	(12,456)	(16,481)	(42,296)	-	71,233	-	71,233	17,054	54,179	\$ 0.026	\$ 0.026
Intangible amortization	-	(23,970)	(2,167)	(16,171)	-	42,308	-	42,308	14,781	27,527	\$ 0.013	\$ 0.013
EMC Information Infrastructure Non-GAAP (2)	<u>\$ 2,826,575</u>	<u>\$ 1,337,951</u>	<u>\$ 295,371</u>	<u>\$ 733,694</u>	<u>\$ -</u>	<u>\$ 459,559</u>	<u>\$ 41,195</u>	<u>\$ 500,754</u>	<u>\$ 117,680</u>	<u>\$ 383,074</u>	<u>\$ 0.185</u>	<u>\$ 0.181</u>
Vmware standalone GAAP	\$ 296,825	\$ 48,817	\$ 71,581	\$ 129,692	\$ -	\$ 46,735	\$ (5,223)	\$ 41,512	\$ 7,288	\$ 34,224	\$ 0.017	\$ 0.016
GAAP adjustments and eliminations	<u>1,272</u>	<u>665</u>	<u>(634)</u>	<u>2,496</u>	<u>-</u>	<u>(1,255)</u>	<u>(290)</u>	<u>(1,545)</u>	<u>(360)</u>	<u>(1,185)</u>	<u>\$ (0.001)</u>	<u>\$ (0.001)</u>
Vmware within EMC	298,097	49,482	70,947	132,188	-	45,480	(5,513)	39,967	6,928	33,039	\$ 0.016	\$ 0.016
Stock based compensation expense	-	(993)	(8,252)	(6,728)	-	15,973	-	15,973	4,809	11,164	\$ 0.005	\$ 0.005
Intangible amortization	-	(5,215)	-	(1,073)	-	6,288	-	6,288	2,327	3,961	\$ 0.002	\$ 0.002
Vmware within EMC Non-GAAP (3)	<u>\$ 298,097</u>	<u>\$ 43,274</u>	<u>\$ 62,695</u>	<u>\$ 124,387</u>	<u>\$ -</u>	<u>\$ 67,741</u>	<u>\$ (5,513)</u>	<u>\$ 62,228</u>	<u>\$ 14,064</u>	<u>\$ 48,164</u>	<u>\$ 0.023</u>	<u>\$ 0.023</u>
											Wtd. Average Share O/S	
											<u>2,070,636</u>	<u>2,121,645</u>

(1) Represents EMC Consolidated GAAP excluding stock-based compensation expense and intangible amortization.

(2) Represents EMC Information Infrastructure GAAP less stock-based compensation expense and intangible amortization.

(3) Represents VMware within EMC excluding stock-based compensation expense and intangible amortization.

Note: schedule may not add due to rounding

Reconciliation of GAAP to Non-GAAP
For the Three Months Ended September 30, 2006
(in thousands, except per share amounts)
Unaudited

	Revenue	Cost of Revenue	Research and Development	Selling, General and Administrative	Restructuring and IPR&D	Operating Income	Other Income, net	Income Before Taxes	Income Tax Provision	Net Income	Net Income per Weighted Average Share, Basic	Net Income per Weighted Average Share, Diluted
EMC Consolidated GAAP	\$ 2,815,306	\$ 1,331,567	\$ 312,302	\$ 809,086	\$ 20,221	\$ 342,130	\$ 44,406	\$ 386,536	\$ 102,872	\$ 283,664	\$ 0.128	\$ 0.127
IPR&D	-	-	-	-	(23,000)	23,000	-	23,000	-	23,000	\$ 0.010	\$ 0.010
EMC Consolidated Adjusted (1)	2,815,306	1,331,567	312,302	809,086	(2,779)	365,130	44,406	409,536	102,872	306,664	\$ 0.138	\$ 0.137
Stock based compensation expense	-	(13,632)	(28,467)	(55,473)	-	97,572	-	97,572	22,000	75,572	\$ 0.034	\$ 0.034
Intangible amortization	-	(23,124)	(3,933)	(11,236)	-	38,293	-	38,293	13,413	24,880	\$ 0.011	\$ 0.011
EMC Consolidated Non-GAAP (2)	<u>\$ 2,815,306</u>	<u>\$ 1,294,811</u>	<u>\$ 279,902</u>	<u>\$ 742,377</u>	<u>\$ (2,779)</u>	<u>\$ 500,995</u>	<u>\$ 44,406</u>	<u>\$ 545,401</u>	<u>\$ 138,285</u>	<u>\$ 407,116</u>	<u>\$ 0.184</u>	<u>\$ 0.182</u>
EMC Information Infrastructure GAAP	\$ 2,626,806	\$ 1,292,744	\$ 265,422	\$ 730,973	\$ 20,221	\$ 317,446	\$ 44,047	\$ 361,493	\$ 94,201	\$ 267,292	\$ 0.121	\$ 0.119
IPR&D	-	-	-	-	(23,000)	23,000	-	23,000	-	23,000	\$ 0.010	\$ 0.010
EMC Information Infrastructure Adjusted (3)	2,626,806	1,292,744	265,422	730,973	(2,779)	340,446	44,047	384,493	94,201	290,292	\$ 0.131	\$ 0.130
Stock based compensation expense	-	(12,902)	(19,216)	(48,861)	-	80,979	-	80,979	18,017	62,962	\$ 0.028	\$ 0.028
Intangible amortization	-	(17,590)	(3,933)	(10,314)	-	31,837	-	31,837	10,960	20,877	\$ 0.009	\$ 0.009
EMC Information Infrastructure Non-GAAP (4)	<u>\$ 2,626,806</u>	<u>\$ 1,262,252</u>	<u>\$ 242,273</u>	<u>\$ 671,798</u>	<u>\$ (2,779)</u>	<u>\$ 453,262</u>	<u>\$ 44,047</u>	<u>\$ 497,309</u>	<u>\$ 123,178</u>	<u>\$ 374,131</u>	<u>\$ 0.169</u>	<u>\$ 0.167</u>
Vmware standalone GAAP	\$ 188,806	\$ 37,512	\$ 43,169	\$ 80,093	\$ -	\$ 28,032	\$ 964	\$ 28,996	\$ 9,765	\$ 19,231	\$ 0.009	\$ 0.009
GAAP adjustments and eliminations	(306)	1,311	3,711	(1,980)	-	(3,348)	(605)	(3,953)	(1,094)	(2,859)	\$ (0.001)	\$ (0.001)
Vmware within EMC	188,500	38,823	46,880	78,113	-	24,684	359	25,043	8,671	16,372	\$ 0.007	\$ 0.007
Stock based compensation expense	-	(730)	(9,251)	(6,612)	-	16,593	-	16,593	3,983	12,610	\$ 0.006	\$ 0.006
Intangible amortization	-	(5,534)	-	(922)	-	6,456	-	6,456	2,453	4,003	\$ 0.002	\$ 0.002
Vmware within EMC Non-GAAP (5)	<u>\$ 188,500</u>	<u>\$ 32,559</u>	<u>\$ 37,629</u>	<u>\$ 70,579</u>	<u>\$ -</u>	<u>\$ 47,733</u>	<u>\$ 359</u>	<u>\$ 48,092</u>	<u>\$ 15,107</u>	<u>\$ 32,985</u>	<u>\$ 0.015</u>	<u>\$ 0.015</u>
											Wtd. Average Share O/S	
											<u>2,215,039</u>	<u>2,240,291</u>

(1) Represents EMC Consolidated GAAP excluding IPR&D.

(2) Represents EMC Consolidated Adjusted excluding stock-based compensation expense and intangible amortization.

(3) Represents EMC Information Infrastructure GAAP excluding IPR&D.

(4) Represents EMC Information Infrastructure Adjusted excluding stock-based compensation expense and intangible amortization.

(5) Represents VMware within EMC excluding stock-based compensation expense and intangible amortization.

Note: schedule may not add due to rounding

Reconciliation of GAAP to Non-GAAP
For the Three Months Ended June 30, 2006
(in thousands, except per share amounts)
Unaudited

	Revenue	Cost of Revenue	Research and Development	Selling, General and Administrative	Restructuring and IPR&D	Operating Income	Other Income, net	Income Before Taxes	Income Tax Provision	Net Income	Net Income per Weighted Average Share, Basic	Net Income per Weighted Average Share, Diluted
EMC Consolidated GAAP	\$ 2,574,523	\$ 1,216,531	\$ 299,429	\$ 782,016	\$ 12,024	\$ 264,523	\$ 61,571	\$ 326,094	\$ 47,001	\$ 279,093	\$ 0.121	\$ 0.119
Restructuring and IPR&D	-	-	-	-	(12,024)	12,024	-	12,024	-	12,024	\$ 0.005	\$ 0.005
Tax benefits	-	-	-	-	-	-	-	-	33,266	(33,266)	\$ (0.014)	\$ (0.014)
EMC Consolidated Adjusted (1)	2,574,523	1,216,531	299,429	782,016	-	276,547	61,571	338,118	80,267	257,851	\$ 0.112	\$ 0.110
Stock based compensation expense	-	(16,439)	(25,835)	(56,049)	-	98,323	-	98,323	19,488	78,835	\$ 0.034	\$ 0.034
Intangible amortization	-	(21,853)	(3,277)	(10,594)	-	35,724	-	35,724	12,551	23,173	\$ 0.010	\$ 0.010
EMC Consolidated Non-GAAP (2)	<u>\$ 2,574,523</u>	<u>\$ 1,178,239</u>	<u>\$ 270,317</u>	<u>\$ 715,373</u>	<u>\$ -</u>	<u>\$ 410,594</u>	<u>\$ 61,571</u>	<u>\$ 472,165</u>	<u>\$ 112,306</u>	<u>\$ 359,859</u>	<u>\$ 0.156</u>	<u>\$ 0.154</u>
EMC Information Infrastructure GAAP	\$ 2,417,031	\$ 1,190,101	\$ 267,931	\$ 713,958	\$ 8,324	\$ 236,717	\$ 61,355	\$ 298,072	\$ 36,102	\$ 261,970	\$ 0.114	\$ 0.112
Restructuring and IPR&D	-	-	-	-	(8,324)	8,324	-	8,324	-	8,324	\$ 0.004	\$ 0.004
Tax benefits	-	-	-	-	-	-	-	-	33,266	(33,266)	\$ (0.014)	\$ (0.014)
EMC Information Infrastructure Adjusted (3)	2,417,031	1,190,101	267,931	713,958	-	245,041	61,355	306,396	69,368	237,028	\$ 0.103	\$ 0.101
Stock based compensation expense	-	(15,850)	(19,970)	(50,545)	-	86,365	-	86,365	16,622	69,743	\$ 0.030	\$ 0.030
Intangible amortization	-	(16,466)	(3,277)	(9,672)	-	29,415	-	29,415	10,154	19,261	\$ 0.008	\$ 0.008
EMC Information Infrastructure Non-GAAP (4)	<u>\$ 2,417,031</u>	<u>\$ 1,157,785</u>	<u>\$ 244,684</u>	<u>\$ 653,741</u>	<u>\$ -</u>	<u>\$ 360,821</u>	<u>\$ 61,355</u>	<u>\$ 422,176</u>	<u>\$ 96,144</u>	<u>\$ 326,032</u>	<u>\$ 0.141</u>	<u>\$ 0.139</u>
VMware standalone GAAP	\$ 156,440	\$ 26,616	\$ 32,619	\$ 67,732	\$ 3,700	\$ 25,773	\$ (282)	\$ 25,491	\$ 10,322	\$ 15,169	\$ 0.007	\$ 0.006
GAAP adjustments and eliminations	1,052	(186)	(1,121)	326	-	2,033	498	2,531	577	1,954	\$ 0.001	\$ 0.001
VMware within EMC GAAP	157,492	26,430	31,498	68,058	3,700	27,806	216	28,022	10,899	17,123	\$ 0.007	\$ 0.007
IPR&D	-	-	-	-	(3,700)	3,700	-	3,700	-	3,700	\$ 0.002	\$ 0.002
VMware within EMC Adjusted (5)	157,492	26,430	31,498	68,058	-	31,506	216	31,722	10,899	20,823	\$ 0.009	\$ 0.009
Stock based compensation expense	-	(589)	(5,865)	(5,504)	-	11,958	-	11,958	2,866	9,092	\$ 0.004	\$ 0.004
Intangible amortization	-	(5,387)	-	(922)	-	6,309	-	6,309	2,397	3,912	\$ 0.002	\$ 0.002
VMware within EMC Non-GAAP (6)	<u>\$ 157,492</u>	<u>\$ 20,454</u>	<u>\$ 25,633</u>	<u>\$ 61,632</u>	<u>\$ -</u>	<u>\$ 49,773</u>	<u>\$ 216</u>	<u>\$ 49,989</u>	<u>\$ 16,162</u>	<u>\$ 33,827</u>	<u>\$ 0.015</u>	<u>\$ 0.014</u>
										Wtd. Average Share O/S	2,306,457	2,341,785

- (1) Represents EMC Consolidated GAAP excluding restructuring, IPR&D and special tax benefits.
(2) Represents EMC Consolidated Adjusted excluding stock-based compensation and intangible amortization.
(3) Represents EMC Information Infrastructure GAAP excluding restructuring, IPR&D and special tax benefits.
(4) Represents EMC Information Infrastructure Adjusted excluding stock-based compensation expense and intangible amortization.
(5) Represents VMware within EMC GAAP excluding IPR&D.
(6) Represents VMware within EMC Adjusted excluding stock-based compensation expense and intangible amortization.

Note: schedule may not add due to rounding

