

# EMC Q4 2008 and 2008 Financial Results

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# Forward-Looking Statements and GAAP Reconciliation



This presentation 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) the impact of any expense reduction initiatives; 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 presentation.

This presentation contains non-GAAP financial measures which include but are not limited to non-GAAP EPS, Free Cash Flow, non-GAAP Operating Margin, and non-GAAP Tax Rate. A reconciliation to GAAP is included within this presentation or in the Current Report on Form 8-K furnished by EMC on January 27, 2009 which can be found at [www.EMC.com](http://www.EMC.com).

## CFO Commentary

**David Goulden**  
**Executive Vice President & CFO**

# EMC Consolidated Results



	<b>Q4 08</b>	<b>2008</b>
	<b>Y/Y Growth</b>	<b>Y/Y Growth</b>
Revenue	5%	12%
Non-GAAP EPS	7%	14%
Free Cash Flow	9%	17%

Refer to the schedules in the Appendix for a complete reconciliation of GAAP to non-GAAP.

# EMC Information Infrastructure Results



**Q4 08**

**Growth Y/Y**

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Total Information Infrastructure Revenue	2%
North America	4%
Europe, Middle East, Africa	0%
Asia-Pacific/Japan	4%
Latin America	-2%

*For Q408, BRIC +13 revenues were up 9% at cc.*

# EMC Information Infrastructure Results



	<b>Q4 08</b>	<b>Growth Y/Y</b>	<b>2008</b>	<b>Growth Y/Y</b>
Products	\$2.5B	-	\$8.9B	5%
Services	\$1B	9%	\$4.1B	21%

- *Q4 Information Storage revenues were up 4% Y/Y and up 10% for 2008.*
- *NAS revenues were up 40% for 2008.*
- *Q4 data de-duplication solution revenues at a \$360M annual run rate.*

# EMC Information Infrastructure Results



	<b>Q4 08</b>	<b>Growth Y/Y</b>	<b>2008</b>	<b>Growth Y/Y</b>
Non-GAAP:				
Operating margin	18%	-	17%	-
Earnings per share	\$0.25	-4%	\$0.86	9%
Operating cash flow	\$802M	-2%	\$2.8B	13%
Free cash flow	\$606M	-	\$2.1B	15%

Refer to the schedules in the Appendix for a complete reconciliation of GAAP to non-GAAP.

# Consolidated Results



	<b>Q4 08</b>	<b>Growth Y/Y</b>	<b>2008</b>	<b>Growth Y/Y</b>
Revenue	\$4B	5%	\$15B	12%
Non-GAAP EPS	\$0.32	7%	\$1.04	14%
VMware within EMC non-GAAP EPS	\$0.065		\$0.177	

Refer to the schedules in the Appendix for a complete reconciliation of GAAP to non-GAAP.  
Numbers may not foot due to rounding.

# Consolidated Results



	<b>Q4 08</b>	<b>2008</b>
	<b>Y/Y Growth</b>	<b>Y/Y Growth</b>
Cash flow from operations	9%	14%
Free Cash Flow	9%	17%

Refer to the schedules in the Appendix for a complete reconciliation of GAAP to non-GAAP.

# Consolidated Cash Results



- Cash and investments:
  - \$8.8B in cash and investments
  - \$5.1B overseas and in VMware
- Stock repurchase:
  - Q4 08: \$370M for ~36M shares
  - 2008: \$1.5B for ~112M shares
- Acquisitions:
  - Q4 08: ~\$50M, mostly by VMware

## 2008 Restructuring Details



*All dollar amounts are considered to be approximations.*

- 2008 Restructuring Plan

- Expected Information Infrastructure cost savings in 2009: \$350M
  - 1/3 of the savings will come from COGS
  - 2/3 of the savings will come from operating expenses
  - Savings will be weighted more toward the second half of 2009.

## 2009 Model Details



*All dollar amounts are considered to be approximations.*

Transition Expenses	\$60M
FASB 86 impact	\$100M
FSP 14-1 impact	\$108M
Interest income rate reduction	\$70M
Non-GAAP tax rate	21%

The impact of stock-based compensation, intangible amortization and restructuring is expected to be 3% resulting in a GAAP tax rate of 18%.

## 2009 Non-GAAP Expenses



*All dollar amounts are considered to be approximations.*

Stock-based compensation	\$580M
Intangible amortization	\$240M

## CEO Commentary

**Joe Tucci**  
**Chairman, President & CEO**

Q&A



30<sup>th</sup> Anniversary

1979

EMC<sup>2</sup>®

2009

Innovation. Passion. Success.



# Appendix

# Appendix – Use of Non-GAAP Information



## Use of Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures. These non-GAAP financial measures, which are used as measures of EMC's performance or liquidity, should be considered in addition to, not as a substitute for, measures of EMC's financial performance or liquidity prepared in accordance with GAAP. EMC's non-GAAP financial measures may be defined differently from time to time and may be defined differently than similar terms used by other companies, and accordingly, care should be exercised in understanding how EMC defines its non-GAAP financial measures in this presentation.

Where specified in the accompanying schedules for various periods entitled "Reconciliation of GAAP to Non-GAAP," certain items noted on each such specific schedule (including, where noted, amounts relating to stock-based compensation expense, intangible amortization, special income tax benefits, restructuring charges, IPR&D charges and net gains on investments) are excluded from the non-GAAP financial measures.

EMC's management uses the non-GAAP financial measures in the accompanying schedules to gain an understanding of EMC's comparative operating performance (when comparing such results with previous periods or forecasts) and future prospects and excludes the above-listed items from its internal financial statements for purposes of its internal budgets and each reporting segment's financial goals. These non-GAAP financial measures are used by EMC's management in their financial and operating decision-making because management believes they reflect EMC's ongoing business in a manner that allows meaningful period-to-period comparisons. EMC's management believes that these non-GAAP financial measures provide useful information to investors and others (a) in understanding and evaluating EMC's current operating performance and future prospects in the same manner as management does, if they so choose, and (b) in comparing in a consistent manner the Company's current financial results with the Company's past financial results.

This presentation also includes disclosures regarding free cash flow which is a non-GAAP financial measure. Free cash flow is defined as net cash provided by operating activities less additions to property, plant and equipment and capitalized software development costs. EMC uses free cash flow, among other measures, to evaluate the ability of its operations to generate cash that is available for purposes other than capital expenditures and capitalized software development costs. Management believes that information regarding free cash flow provides investors with an important perspective on the cash available to make strategic acquisitions and investments, repurchase shares, service debt and fund ongoing operations. As free cash flow is not a measure of liquidity calculated in accordance with GAAP, free cash flow should be considered in addition to, but not as a substitute for, the analysis provided in the statement of cash flows.

All of the foregoing non-GAAP financial measures have limitations. Specifically, the non-GAAP financial measures that exclude the items noted above do not include all items of income and expense that affect EMC's operations. Further, these non-GAAP financial measures are not prepared in accordance with GAAP, may not be comparable to non-GAAP financial measures used by other companies and do not reflect any benefit that such items may confer on EMC. Management compensates for these limitations by also considering EMC's financial results as determined in accordance with GAAP.

Reconciliation of GAAP to Non-GAAP  
**For the Three Months Ended December 31, 2008**  
(in thousands, except per share amounts)  
Unaudited

	Revenue	Cost of Revenue	Research and Development	Selling, General and Administrative	IPR&D Charge	Restructuring Charge	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
<b>EMC Consolidated GAAP</b>	\$ 4,016,638	\$ 1,790,954	\$ 434,521	\$ 1,211,120	\$ 6,576	\$ 240,694	\$ 332,773	\$ 17,498	\$ 350,271	\$ 44,569	\$ 305,702	\$ (17,718)	\$ 287,984	\$ 0.143	\$ 0.142
Restructuring charge	-	-	-	-	-	(240,694)	240,694	6,877	247,571	48,037	199,534	-	199,534	\$ 0.099	\$ 0.098
IPR&D charge	-	-	-	-	(6,576)	-	6,576	-	6,576	2,229	4,347	(691)	3,656	\$ 0.002	\$ 0.002
<b>EMC Consolidated Adjusted (1)</b>	4,016,638	1,790,954	434,521	1,211,120	-	-	580,043	24,375	604,418	94,835	509,583	(18,409)	491,174	\$ 0.244	\$ 0.242
Stock-based compensation expense	-	(21,704)	(47,385)	(74,682)	-	-	143,771	-	143,771	26,895	116,876	(6,837)	110,039	\$ 0.055	\$ 0.054
Intangible amortization	-	(40,397)	(4,305)	(28,260)	-	-	72,962	-	72,962	26,930	46,032	(480)	45,552	\$ 0.023	\$ 0.022
<b>EMC Consolidated Non-GAAP (2)</b>	<u>\$ 4,016,638</u>	<u>\$ 1,728,853</u>	<u>\$ 382,831</u>	<u>\$ 1,108,178</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 796,776</u>	<u>\$ 24,375</u>	<u>\$ 821,151</u>	<u>\$ 148,660</u>	<u>\$ 672,491</u>	<u>\$ (25,726)</u>	<u>\$ 646,765</u>	<u>\$ 0.321</u>	<u>\$ 0.319</u>
<b>EMC Information Infrastructure GAAP</b>	\$ 3,502,307	\$ 1,719,162	\$ 331,166	\$ 982,832	\$ -	\$ 240,694	\$ 228,453	\$ 20,592	\$ 249,045	\$ 49,872	\$ 199,173	\$ -	\$ 199,173	\$ 0.099	\$ 0.098
Restructuring charge	-	-	-	-	-	(240,694)	240,694	6,877	247,571	48,037	199,534	-	199,534	\$ 0.099	\$ 0.098
<b>EMC Information Infrastructure Adjusted (3)</b>	3,502,307	1,719,162	331,166	982,832	-	-	469,147	27,469	496,616	97,909	398,707	-	398,707	\$ 0.198	\$ 0.197
Stock-based compensation expense	-	(16,665)	(25,274)	(52,885)	-	-	94,824	-	94,824	20,958	73,866	-	73,866	\$ 0.037	\$ 0.036
Intangible amortization	-	(37,253)	(4,305)	(26,705)	-	-	68,263	-	68,263	25,248	43,015	-	43,015	\$ 0.021	\$ 0.021
<b>EMC Information Infrastructure Non-GAAP (4)</b>	<u>\$ 3,502,307</u>	<u>\$ 1,665,244</u>	<u>\$ 301,587</u>	<u>\$ 903,242</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 632,234</u>	<u>\$ 27,469</u>	<u>\$ 659,703</u>	<u>\$ 144,115</u>	<u>\$ 515,588</u>	<u>\$ -</u>	<u>\$ 515,588</u>	<u>\$ 0.256</u>	<u>\$ 0.254</u>
<b>VMware standalone GAAP</b>	\$ 514,603	\$ 71,950	\$ 110,506	\$ 230,033	\$ -	\$ -	\$ 102,114	\$ (1,490)	\$ 100,624	\$ (10,830)	\$ 111,454	\$ -	\$ 111,454	\$ 0.055	\$ 0.055
GAAP adjustments and eliminations	(272)	(158)	(7,151)	(1,745)	6,576	-	2,206	(1,604)	602	5,527	(4,925)	(17,718)	(22,643)	\$ (0.011)	\$ (0.011)
<b>VMware within EMC GAAP</b>	514,331	71,792	103,355	228,288	6,576	-	104,320	(3,094)	101,226	(5,303)	106,529	(17,718)	88,811	\$ 0.044	\$ 0.044
IPR&D charge	-	-	-	-	(6,576)	-	6,576	-	6,576	2,229	4,347	(691)	3,656	\$ 0.002	\$ 0.002
<b>VMware within EMC Adjusted (5)</b>	514,331	71,792	103,355	228,288	-	-	110,896	(3,094)	107,802	(3,074)	110,876	(18,409)	92,467	\$ 0.046	\$ 0.045
Stock-based compensation expense	-	(5,039)	(22,111)	(21,797)	-	-	48,947	-	48,947	5,937	43,010	(6,837)	36,173	\$ 0.018	\$ 0.018
Intangible amortization	-	(3,144)	-	(1,555)	-	-	4,699	-	4,699	1,682	3,017	(480)	2,537	\$ 0.001	\$ 0.001
<b>VMware within EMC Non-GAAP (6)</b>	<u>\$ 514,331</u>	<u>\$ 63,609</u>	<u>\$ 81,244</u>	<u>\$ 204,936</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,542</u>	<u>\$ (3,094)</u>	<u>\$ 161,448</u>	<u>\$ 4,545</u>	<u>\$ 156,903</u>	<u>\$ (25,726)</u>	<u>\$ 131,177</u>	<u>\$ 0.065</u>	<u>\$ 0.065</u>

Wtd. Average Share O/S

2,012,389      2,028,635

- (1) Represents EMC Consolidated GAAP excluding restructuring charge and IPR&D charge.  
(2) Represents EMC Consolidated Adjusted excluding stock-based compensation expense and intangible amortization.  
(3) Represents EMC Information Infrastructure GAAP excluding restructuring charge and IPR&D charge.  
(4) Represents EMC Information Infrastructure Adjusted excluding stock-based compensation expense and intangible amortization.  
(5) Represents VMware within EMC GAAP excluding IPR&D charge.  
(6) Represents VMware within EMC Adjusted 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, 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	
<b>EMC Consolidated GAAP</b>	\$ 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	
<b>EMC Consolidated Adjusted (1)</b>	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	
<b>EMC Consolidated Non-GAAP (2)</b>	<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>	
<b>EMC Information Infrastructure GAAP</b>	\$ 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	
<b>EMC Information Infrastructure Adjusted (3)</b>	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	
<b>EMC Information Infrastructure Non-GAAP (4)</b>	<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>	
<b>VMware standalone GAAP</b>	\$ 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)	
<b>VMware within EMC</b>	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	
<b>VMware within EMC Non-GAAP (5)</b>	<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 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 Twelve Months Ended December 31, 2008**  
(in thousands, except per share amounts)  
Unaudited

	Revenue	Cost of Revenue	Research and Development	Selling, General and Administrative	IPR&D Charge	Restructuring Charge	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
<b>EMC Consolidated GAAP</b>	\$ 14,876,163	\$ 6,653,794	\$ 1,721,330	\$ 4,601,588	\$ 85,780	\$ 244,735	\$ 1,568,936	\$ 133,870	\$ 1,702,806	\$ 312,514	\$ 1,390,292	\$ (44,725)	\$ 1,345,567	\$ 0.657	\$ 0.643
Restructuring charge	-	-	-	-	-	(245,092)	245,092	6,877	251,969	51,027	200,942	-	200,942	\$ 0.098	\$ 0.097
IPR&D charge	-	-	-	-	(85,780)	-	85,780	-	85,780	2,229	83,551	(691)	82,860	\$ 0.040	\$ 0.040
Special income tax benefit	-	-	-	-	-	-	-	-	-	17,803	(17,803)	-	(17,803)	\$ (0.009)	\$ (0.009)
<b>EMC Consolidated Adjusted (1)</b>	14,876,163	6,653,794	1,721,330	4,601,588	-	(357)	1,899,808	140,747	2,040,555	383,573	1,656,982	(45,416)	1,611,566	\$ 0.787	\$ 0.771
Stock-based compensation expense	-	(80,126)	(162,377)	(258,936)	-	-	501,439	-	501,439	108,811	392,628	(21,412)	371,216	\$ 0.181	\$ 0.178
Intangible amortization	-	(158,600)	(12,986)	(108,222)	-	-	279,808	-	279,808	97,233	182,575	(1,704)	180,871	\$ 0.088	\$ 0.087
<b>EMC Consolidated Non-GAAP (2)</b>	<u>\$ 14,876,163</u>	<u>\$ 6,415,068</u>	<u>\$ 1,545,967</u>	<u>\$ 4,234,430</u>	<u>\$ -</u>	<u>\$ (357)</u>	<u>\$ 2,681,055</u>	<u>\$ 140,747</u>	<u>\$ 2,821,802</u>	<u>\$ 589,617</u>	<u>\$ 2,232,185</u>	<u>\$ (68,532)</u>	<u>\$ 2,163,653</u>	<u>\$ 1.056</u>	<u>\$ 1.037</u>
<b>EMC Information Infrastructure GAAP</b>	\$ 12,999,227	\$ 6,350,213	\$ 1,300,715	\$ 3,773,900	\$ 79,204	\$ 244,735	\$ 1,250,460	\$ 129,518	\$ 1,379,978	\$ 277,166	\$ 1,102,812	\$ -	\$ 1,102,812	\$ 0.538	\$ 0.530
Restructuring charge	-	-	-	-	-	(245,092)	245,092	6,877	251,969	51,027	200,942	-	200,942	0.098	0.097
IPR&D charge	-	-	-	-	(79,204)	-	79,204	-	79,204	-	79,204	-	79,204	0.039	0.038
Special income tax benefit	-	-	-	-	-	-	-	-	-	17,803	(17,803)	-	(17,803)	(0.009)	(0.009)
<b>EMC Information Infrastructure Adjusted (3)</b>	12,999,227	6,350,213	1,300,715	3,773,900	-	(357)	1,574,756	136,395	1,711,151	345,996	1,365,155	-	1,365,155	\$ 0.666	\$ 0.656
Stock-based compensation expense	-	(56,538)	(84,001)	(185,018)	-	-	325,557	-	325,557	73,932	251,625	-	251,625	\$ 0.123	\$ 0.121
Intangible amortization	-	(147,323)	(12,986)	(102,035)	-	-	262,344	-	262,344	90,945	171,399	-	171,399	\$ 0.084	\$ 0.082
<b>EMC Information Infrastructure Non-GAAP (4)</b>	<u>\$ 12,999,227</u>	<u>\$ 6,146,352</u>	<u>\$ 1,203,728</u>	<u>\$ 3,486,847</u>	<u>\$ -</u>	<u>\$ (357)</u>	<u>\$ 2,162,657</u>	<u>\$ 136,395</u>	<u>\$ 2,299,052</u>	<u>\$ 510,873</u>	<u>\$ 1,788,179</u>	<u>\$ -</u>	<u>\$ 1,788,179</u>	<u>\$ 0.873</u>	<u>\$ 0.860</u>
<b>VMware standalone GAAP</b>	\$ 1,881,027	\$ 304,105	\$ 429,204	\$ 835,193	\$ -	\$ -	\$ 312,525	\$ 6,760	\$ 319,285	\$ 29,152	\$ 290,133	\$ -	\$ 290,133	\$ 0.142	\$ 0.139
GAAP adjustments and eliminations	(4,091)	(524)	(8,589)	(7,505)	6,576	-	5,951	(2,408)	3,543	6,196	(2,653)	(44,725)	(47,378)	\$ (0.023)	\$ (0.023)
<b>VMware within EMC GAAP</b>	1,876,936	303,581	420,615	827,688	6,576	-	318,476	4,352	322,828	35,348	287,480	(44,725)	242,755	\$ 0.119	\$ 0.113
IPR&D charge	-	-	-	-	(6,576)	-	6,576	-	6,576	2,229	4,347	(691)	3,656	\$ 0.002	\$ 0.002
<b>VMware within EMC Adjusted (5)</b>	1,876,936	303,581	420,615	827,688	-	-	325,052	4,352	329,404	37,577	291,827	(45,416)	246,411	\$ 0.120	\$ 0.115
Stock-based compensation expense	-	(23,588)	(78,376)	(73,918)	-	-	175,882	-	175,882	34,879	141,003	(21,412)	119,591	\$ 0.058	\$ 0.057
Intangible amortization	-	(11,277)	-	(6,187)	-	-	17,464	-	17,464	6,288	11,176	(1,704)	9,472	\$ 0.005	\$ 0.005
<b>VMware within EMC Non-GAAP (6)</b>	<u>\$ 1,876,936</u>	<u>\$ 268,716</u>	<u>\$ 342,239</u>	<u>\$ 747,583</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 518,398</u>	<u>\$ 4,352</u>	<u>\$ 522,750</u>	<u>\$ 78,744</u>	<u>\$ 444,006</u>	<u>\$ (68,532)</u>	<u>\$ 375,474</u>	<u>\$ 0.183</u>	<u>\$ 0.177</u>

Wtd. Average Share O/S 2,048,506 2,079,853

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

Note: schedule may not add due to rounding

Reconciliation of GAAP to Non-GAAP  
**For the Twelve 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
<b>EMC Consolidated GAAP</b>	\$ 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)
<b>EMC Consolidated Adjusted (1)</b>	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
<b>EMC Consolidated Non-GAAP (2)</b>	\$ 13,230,205	\$ 5,841,706	\$ 1,407,530	\$ 3,637,060	\$ (2,441)	\$ 2,346,350	\$ 182,987	\$ 2,529,337	\$ 538,374	\$ 1,990,963	\$ (22,115)	\$ 1,968,848	\$ 0.947	\$ 0.910
<b>EMC Information Infrastructure GAAP</b>	\$ 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)
<b>EMC Information Infrastructure Adjusted (3)</b>	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
<b>EMC Information Infrastructure Non-GAAP (4)</b>	\$ 11,909,392	\$ 5,653,060	\$ 1,152,218	\$ 3,093,715	\$ (2,441)	\$ 2,012,840	\$ 177,850	\$ 2,190,690	\$ 491,548	\$ 1,699,142	\$ -	\$ 1,699,142	\$ 0.817	\$ 0.787
<b>VMware standalone GAAP</b>	\$ 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)
<b>VMware within EMC</b>	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
<b>VMware within EMC Non-GAAP (5)</b>	\$ 1,320,813	\$ 188,646	\$ 255,312	\$ 543,345	\$ -	\$ 333,510	\$ 5,137	\$ 338,647	\$ 46,825	\$ 291,822	\$ (22,115)	\$ 269,706	\$ 0.130	\$ 0.123

Wtd. Average Share O/S 2,079,542 2,157,873

- (1) Represents EMC Consolidated GAAP excluding restructuring charges and IPR&D and 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 restructuring charges and IPR&D and 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

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

	Three Months Ended		Twelve Months Ended	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
EMC Consolidated				
Cash flow from Operations	\$ 1,066,746	\$ 978,709	\$ 3,565,088	\$ 3,126,602
Capital Expenditures	(205,833)	(197,576)	(695,899)	(699,038)
Capitalized Software	(85,532)	(68,697)	(294,973)	(232,047)
Free Cash Flow	\$ 775,381	\$ 712,436	\$ 2,574,216	\$ 2,195,517
VMware within EMC				
Cash flow from Operations	\$ 264,331	\$ 163,574	\$ 735,632	\$ 620,469
Capital Expenditures	(58,011)	(45,101)	(176,396)	(204,141)
Capitalized Software	(37,005)	(14,877)	(90,900)	(48,022)
Free Cash Flow	\$ 169,315	\$ 103,596	\$ 468,336	\$ 368,306
EMC Information Infrastructure				
Cash flow from Operations	\$ 802,415	\$ 815,135	\$ 2,829,456	\$ 2,506,133
Capital Expenditures	(147,822)	(152,475)	(519,503)	(494,897)
Capitalized Software	(48,527)	(53,820)	(204,073)	(184,025)
Free Cash Flow	\$ 606,066	\$ 608,840	\$ 2,105,880	\$ 1,827,211