

EMC Q1 2009
Financial Results

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Vice President, Global Investor Relations

April 23, 2009

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) 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 presentation.

This presentation contains non-GAAP financial measures which include but are not limited to non-GAAP EPS, VMW within EMC non-GAAP EPS, Free Cash Flow and non-GAAP Gross Margin. A reconciliation to GAAP is included within this presentation or in the Current Report on Form 8-K furnished by EMC on April 23, 2009 which can be found at www.EMC.com.



CFO Commentary

David Goulden
Executive Vice President & CFO

EMC Consolidated Results



Q1 09

Revenue	\$3.15B
Non-GAAP EPS	\$0.16
Free Cash Flow	\$681M

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

EMC Information Infrastructure Results



	<u>Q1 09</u>
Revenue	\$2.7B
Non-GAAP EPS	\$0.11
Free Cash Flow	\$494M

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

EMC Information Infrastructure Results



Q1 09

Y/Y Growth

Total Information Infrastructure Revenue

North America	-16%
Europe, Middle East, Africa	-8%
Asia-Pacific/Japan	-4%
Latin America	9%

BRIC +13 markets were up 7% in constant currency

EMC Information Infrastructure Results



Q1 09

Products

\$1.7B

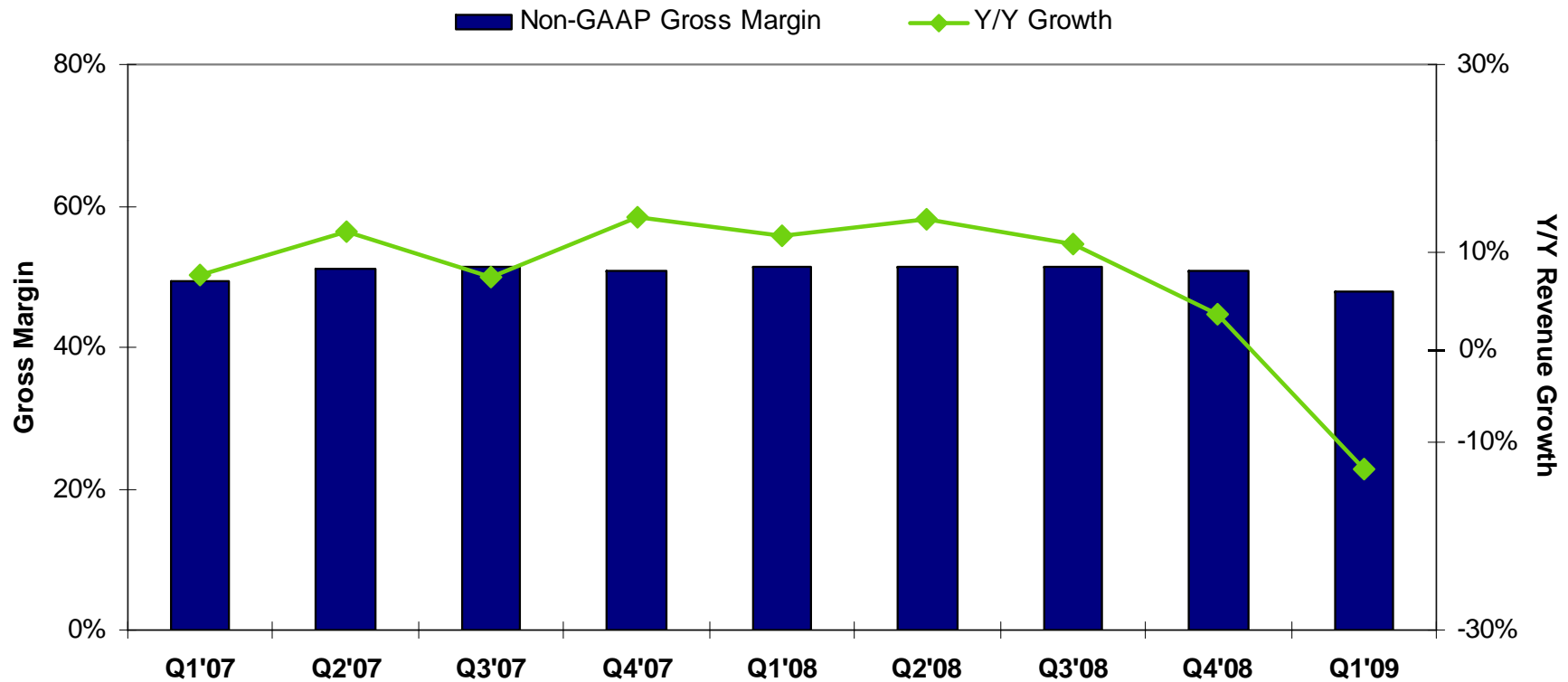
Services

\$1.0B

EMC Information Storage Results



Information Storage Revenue & Profitability



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

EMC Information Infrastructure Results



Q1 09

Products

\$1.7B

Services

\$1.0B

Income Statement Elements



Margins: Solid results, impacted by volume

Restructuring: ~50% of headcount reductions,
plan on target

Cost Savings: \$450M in 2009, \$500M in 2010

Impacts to 2009



Revenue:	IT spending
Margins:	Volume and customer programs
Cost Savings:	\$450M in 2009
Additional factors:	Transition costs FAS 86 software cap FSP 14-1 interest expense Lower interest income

Consolidated Results



Q1 09

Revenue	\$3.15B
Non-GAAP EPS	\$0.16
VMware within EMC non-GAAP EPS	\$0.05
Cash flow from operations	\$864M
Free Cash Flow	\$681M

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

CEO Commentary

Joe Tucci
Chairman, President & CEO



Q&A



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 asset amortization, restructuring charges and IPR&D charges) 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 March 31, 2009
(in thousands, except per share amounts)
Unaudited

	Revenue	Cost of Revenue	Research and Development	Selling, General and Administrative	Restructuring Charge	Operating Income	Other Expense, net	Income Before Taxes	Income Tax Provision	Net Income	Net Income Attributable to VMware	Net Income Attributable to EMC	Net Income per Weighted Average Share, Basic	Net Income per Weighted Average Share, Diluted
EMC Consolidated GAAP	\$ 3,150,762	\$ 1,467,507	\$ 383,293	\$ 1,024,773	\$ 15,572	\$ 259,617	\$ (16,457)	\$ 243,160	\$ 37,815	\$ 205,345	\$ (11,276)	\$ 194,069	\$ 0.097	\$ 0.096
Restructuring charge	-	-	-	-	(15,572)	15,572	-	15,572	6,115	9,457	-	9,457	\$ 0.005	\$ 0.005
EMC Consolidated Adjusted (1)	3,150,762	1,467,507	383,293	1,024,773	-	275,189	(16,457)	258,732	43,930	214,802	(11,276)	203,526	\$ 0.101	\$ 0.101
Stock-based compensation expense	-	(19,894)	(41,242)	(51,511)	-	112,647	-	112,647	24,340	88,307	(6,672)	81,635	\$ 0.041	\$ 0.040
Intangible amortization	-	(30,610)	(3,210)	(25,368)	-	59,188	-	59,188	20,321	38,867	(345)	38,522	\$ 0.019	\$ 0.019
EMC Consolidated Non-GAAP (2)	\$ 3,150,762	\$ 1,417,003	\$ 338,841	\$ 947,894	\$ -	\$ 447,024	\$ (16,457)	\$ 430,567	\$ 88,591	\$ 341,976	\$ (18,293)	\$ 323,683	\$ 0.161	\$ 0.160
EMC Information Infrastructure GAAP	\$ 2,680,361	\$ 1,392,825	\$ 278,499	\$ 823,249	\$ 15,572	\$ 170,216	\$ (13,508)	\$ 156,708	\$ 22,081	\$ 134,627	\$ -	\$ 134,627	\$ 0.067	\$ 0.067
Restructuring charge	-	-	-	-	(15,572)	15,572	-	15,572	6,115	9,457	-	9,457	\$ 0.005	\$ 0.005
EMC Information Infrastructure Adjusted (3)	2,680,361	1,392,825	278,499	823,249	-	185,788	(13,508)	172,280	28,196	144,084	-	144,084	\$ 0.072	\$ 0.071
Stock-based compensation expense	-	(14,233)	(17,312)	(29,404)	-	60,949	-	60,949	14,030	46,919	-	46,919	\$ 0.023	\$ 0.023
Intangible amortization	-	(27,853)	(3,210)	(24,816)	-	55,879	-	55,879	19,153	36,726	-	36,726	\$ 0.018	\$ 0.018
EMC Information Infrastructure Non-GAAP (4)	\$ 2,680,361	\$ 1,350,739	\$ 257,977	\$ 769,029	\$ -	\$ 302,616	\$ (13,508)	\$ 289,108	\$ 61,379	\$ 227,729	\$ -	\$ 227,729	\$ 0.113	\$ 0.113
VMware standalone GAAP	\$ 470,310	\$ 75,003	\$ 105,401	\$ 203,003	\$ -	\$ 86,903	\$ (1,436)	\$ 85,467	\$ 15,532	\$ 69,935	\$ -	\$ 69,935	\$ 0.035	\$ 0.035
GAAP adjustments and eliminations	91	(321)	(607)	(1,479)	-	2,498	(1,513)	985	202	783	(11,276)	(10,493)	\$ (0.005)	\$ (0.005)
VMware within EMC GAAP (5)	470,401	74,682	104,794	201,524	-	89,401	(2,949)	86,452	15,734	70,718	(11,276)	59,442	\$ 0.030	\$ 0.029
Stock-based compensation expense	-	(5,661)	(23,930)	(22,107)	-	51,698	-	51,698	10,310	41,388	(6,672)	34,716	\$ 0.017	\$ 0.017
Intangible amortization	-	(2,757)	-	(552)	-	3,309	-	3,309	1,168	2,141	(345)	1,796	\$ 0.001	\$ 0.001
VMware within EMC Non-GAAP (6)	\$ 470,401	\$ 66,264	\$ 80,864	\$ 178,865	\$ -	\$ 144,408	\$ (2,949)	\$ 141,459	\$ 27,212	\$ 114,247	\$ (18,293)	\$ 95,954	\$ 0.048	\$ 0.047

Wtd. Average Share O/S

2,008,915

2,021,062

Reconciliation of GAAP to Non-GAAP
For the Three Months Ended March 31, 2009
(in thousands, except per share amounts)
Unaudited
(Continued)

The following costs are included in EMC Consolidated Non - GAAP and EMC Information Infrastructure Non - GAAP results

	Revenue	Cost of Revenue	Research and Development	Selling, General and Administrative	Restructuring Charge	Operating Income	Other expense, net	Income Before Taxes	Income Tax Provision	Net Income	Net Income Attributable to VMware	Net Income Attributable to EMC	Net Income per Weighted Average Share, Basic	Net Income per Weighted Average Share, Diluted
Non - cash interest expense on convertible debt (7)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (26,299)	\$ (26,299)	\$ (8,234)	\$ (18,065)	\$ -	\$ (18,065)	\$ (0.009)	\$ (0.009)
Transition costs (8)	-	896	393	8,366	-	(9,655)	-	(9,655)	(3,346)	(6,309)	-	(6,309)	(0.003)	(0.003)
	<u>\$ -</u>	<u>\$ 896</u>	<u>\$ 393</u>	<u>\$ 8,366</u>	<u>\$ -</u>	<u>\$ (9,655)</u>	<u>\$ (26,299)</u>	<u>\$ (35,954)</u>	<u>\$ (11,580)</u>	<u>\$ (24,374)</u>	<u>\$ -</u>	<u>\$ (24,374)</u>	<u>\$ (0.012)</u>	<u>\$ (0.012)</u>

(1) Represents EMC Consolidated GAAP excluding restructuring charge.

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

(3) Represents EMC Information Infrastructure GAAP excluding restructuring charge.

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

(5) Represents VMware within EMC GAAP.

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

(7) Represents the non-cash interest charge associated with our convertible senior notes due 2011 and 2013 totaling \$3,450 million required to be recognized pursuant to FSP 14-1, "Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)".

(8) Represents incremental costs incurred to transform our current cost structure to a more streamlined cost structure.

Note: schedule may not add due to rounding

Reconciliation of GAAP to Non-GAAP
For the Three Months Ended March 31, 2008
(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 Attributable to VMware	Net Income Attributable to EMC	Net Income per Weighted Average Share, Basic	Net Income per Weighted Average Share, Diluted
EMC Consolidated GAAP	\$ 3,470,059	\$ 1,560,664	\$ 433,514	\$ 1,082,215	\$ 78,847	\$ 314,819	\$ 29,308	\$ 344,127	\$ 86,319	\$ 257,808	\$ (6,161)	\$ 251,647	\$ 0.121	\$ 0.118
IPR&D	-	-	-	-	(79,204)	79,204	-	79,204	-	79,204	-	79,204	\$ 0.038	\$ 0.038
EMC Consolidated Adjusted (1)	3,470,059	1,560,664	433,514	1,082,215	(357)	394,023	29,308	423,331	86,319	337,012	(6,161)	330,851	\$ 0.159	\$ 0.156
Stock-based compensation expense	-	(18,312)	(38,825)	(61,950)	-	119,087	-	119,087	27,831	91,256	(5,095)	86,161	\$ 0.042	\$ 0.041
Intangible amortization	-	(38,198)	(3,011)	(24,791)	-	66,000	-	66,000	22,533	43,467	(349)	43,118	\$ 0.021	\$ 0.020
EMC Consolidated Non-GAAP (2)	<u>\$ 3,470,059</u>	<u>\$ 1,504,154</u>	<u>\$ 391,678</u>	<u>\$ 995,474</u>	<u>\$ (357)</u>	<u>\$ 579,110</u>	<u>\$ 29,308</u>	<u>\$ 608,418</u>	<u>\$ 136,683</u>	<u>\$ 471,735</u>	<u>\$ (11,605)</u>	<u>\$ 460,130</u>	<u>\$ 0.222</u>	<u>\$ 0.217</u>

EMC Information Infrastructure GAAP	\$ 3,031,889	\$ 1,483,604	\$ 315,428	\$ 890,640	\$ 78,847	\$ 263,370	\$ 26,669	\$ 290,039	\$ 77,600	\$ 212,439	\$ -	\$ 212,439	\$ 0.102	\$ 0.101
IPR&D	-	-	-	-	(79,204)	79,204	-	79,204	-	79,204	-	79,204	\$ 0.038	\$ 0.038
EMC Information Infrastructure Adjusted (3)	3,031,889	1,483,604	315,428	890,640	(357)	342,574	26,669	369,243	77,600	291,643	-	291,643	\$ 0.141	\$ 0.138
Stock-based compensation expense	-	(12,136)	(17,912)	(44,412)	-	74,460	-	74,460	18,834	55,626	-	55,626	\$ 0.027	\$ 0.026
Intangible amortization	-	(35,888)	(3,011)	(23,250)	-	62,149	-	62,149	21,122	41,027	-	41,027	\$ 0.020	\$ 0.019
EMC Information Infrastructure Non-GAAP (4)	<u>\$ 3,031,889</u>	<u>\$ 1,435,580</u>	<u>\$ 294,505</u>	<u>\$ 822,978</u>	<u>\$ (357)</u>	<u>\$ 479,183</u>	<u>\$ 26,669</u>	<u>\$ 505,852</u>	<u>\$ 117,557</u>	<u>\$ 388,295</u>	<u>\$ -</u>	<u>\$ 388,295</u>	<u>\$ 0.187</u>	<u>\$ 0.184</u>

VMware standalone GAAP	\$ 438,175	\$ 77,170	\$ 119,255	\$ 193,359	\$ -	\$ 48,391	\$ 2,639	\$ 51,030	\$ 7,975	\$ 43,055	\$ -	\$ 43,055	\$ 0.021	\$ 0.020
GAAP adjustments and eliminations	(5)	(110)	(1,169)	(1,784)	-	3,058	-	3,058	744	2,314	(6,161)	(3,847)	\$ (0.002)	\$ (0.003)
VMware within EMC GAAP (5)	438,170	77,060	118,086	191,575	-	51,449	2,639	54,088	8,719	45,369	(6,161)	39,208	\$ 0.019	\$ 0.018
Stock-based compensation expense	-	(6,176)	(20,913)	(17,538)	-	44,627	-	44,627	8,997	35,630	(5,095)	30,535	\$ 0.015	\$ 0.014
Intangible amortization	-	(2,310)	-	(1,541)	-	3,851	-	3,851	1,411	2,440	(349)	2,091	\$ 0.001	\$ 0.001
VMware within EMC Non-GAAP (6)	<u>\$ 438,170</u>	<u>\$ 68,574</u>	<u>\$ 97,173</u>	<u>\$ 172,496</u>	<u>\$ -</u>	<u>\$ 99,927</u>	<u>\$ 2,639</u>	<u>\$ 102,566</u>	<u>\$ 19,126</u>	<u>\$ 83,440</u>	<u>\$ (11,605)</u>	<u>\$ 71,834</u>	<u>\$ 0.035</u>	<u>\$ 0.033</u>

Wtd. Average Share O/S 2,075,152 2,110,805

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

The following costs are included in EMC Consolidated Non - GAAP and EMC Information Infrastructure Non - GAAP results

	<u>Revenue</u>	<u>Cost of Revenue</u>	<u>Research and Development</u>	<u>Selling, General and Administrative</u>	<u>Restructuring and IPR&D</u>	<u>Operating Income</u>	<u>Other Income, net</u>	<u>Income Before Taxes</u>	<u>Income Tax Provision</u>	<u>Net Income</u>	<u>Net Income Attributable to VMware</u>	<u>Net Income Attributable to EMC</u>	<u>Net Income per Weighted Average Share, Basic</u>	<u>Net Income per Weighted Average Share, Diluted</u>
Non - cash interest expense on convertible debt (6)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (25,027)	\$ (25,027)	\$ (7,836)	\$ (17,191)	\$ -	\$ (17,191)	\$ (0.008)	\$ (0.008)

(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 less stock-based compensation expense and intangible amortization.

(5) Represents VMware within EMC GAAP.

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

(7) Represents the non-cash interest charge associated with our convertible senior notes due 2011 and 2013 totaling \$3,450 million required to be recognized pursuant to FSP 14-1, "Accounting for Convertible

Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)".

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	
	March 31, 2009	March 31, 2008
EMC Consolidated		
Cash flow from Operations	\$ 863,691	\$ 918,292
Capital Expenditures	(95,320)	(146,512)
Capitalized Software	(87,627)	(54,321)
Free Cash Flow	\$ 680,744	\$ 717,459
VMware within EMC		
Cash flow from Operations	\$ 240,943	\$ 106,058
Capital Expenditures	(24,326)	(41,019)
Capitalized Software	(29,935)	(4,164)
Free Cash Flow	\$ 186,682	\$ 60,875
EMC Information Infrastructure		
Cash flow from Operations	\$ 622,748	\$ 812,234
Capital Expenditures	(70,994)	(105,493)
Capitalized Software	(57,692)	(50,157)
Free Cash Flow	\$ 494,062	\$ 656,584

EMC Corporation
Reconciliation of EMC Information Storage Gross Margin GAAP to Non-GAAP
(In thousands)
Unaudited

	<u>Q1 '07</u>	<u>Q2 '07</u>	<u>Q3 '07</u>	<u>Q4 '07</u>	<u>Q1 '08</u>	<u>Q2 '08</u>	<u>Q3 '08</u>	<u>Q4 '08</u>	<u>Q1 '09</u>
EMC Information Storage Gross Margin GAAP	\$ 1,174,130	\$ 1,269,402	\$ 1,327,380	\$ 1,524,768	\$ 1,370,420	\$ 1,455,853	\$ 1,472,280	\$ 1,571,111	\$ 1,108,748
Less: Stock-based compensation	12,755	11,516	9,530	8,853	10,131	10,406	13,060	13,877	11,885
Intangible amortization	8,343	8,352	8,885	9,727	10,374	11,394	11,614	11,681	8,217
EMC Information Storage Gross Margin Non-GAAP	<u>\$ 1,195,228</u>	<u>\$ 1,289,270</u>	<u>\$ 1,345,795</u>	<u>\$ 1,543,348</u>	<u>\$ 1,390,925</u>	<u>\$ 1,477,653</u>	<u>\$ 1,496,954</u>	<u>\$ 1,596,669</u>	<u>\$ 1,128,850</u>