

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

| | Three Months Ended | | Six Months Ended | |
|--|--------------------|-------------------|-------------------|-------------------|
| | June 30, 2009 | June 30, 2008 | June 30, 2009 | June 30, 2008 |
| | (As Adjusted) | | (As Adjusted) | |
| Revenues: | | | | |
| Product sales | \$ 2,005,270 | \$ 2,461,651 | \$ 3,974,390 | \$ 4,802,081 |
| Services | 1,252,082 | 1,212,223 | 2,433,724 | 2,341,852 |
| | <u>3,257,352</u> | <u>3,673,874</u> | <u>6,408,114</u> | <u>7,143,933</u> |
| Cost and expenses: | | | | |
| Cost of product sales | 1,057,205 | 1,119,553 | 2,070,535 | 2,194,136 |
| Cost of services | 456,369 | 525,751 | 910,546 | 1,011,832 |
| Research and development | 397,881 | 442,502 | 781,174 | 876,016 |
| Selling, general and administrative | 1,051,204 | 1,135,674 | 2,075,977 | 2,217,889 |
| In-process research and development | - | - | - | 79,204 |
| Restructuring and other special charges (credits) | 33,234 | - | 48,806 | (357) |
| | <u>261,459</u> | <u>450,394</u> | <u>521,076</u> | <u>765,213</u> |
| Operating income | | | | |
| Investment income | 31,343 | 58,730 | 71,187 | 135,870 |
| Interest expense | (44,158) | (44,044) | (89,701) | (87,113) |
| Other income (expense), net | 17 | (2,811) | (10,741) | (7,574) |
| | <u>248,661</u> | <u>462,269</u> | <u>491,821</u> | <u>806,396</u> |
| Income before tax | | | | |
| Income tax provision | 38,045 | 94,432 | 75,860 | 180,751 |
| | <u>210,616</u> | <u>367,837</u> | <u>415,961</u> | <u>625,645</u> |
| Net income | | | | |
| Less: Net income attributable to the non-controlling interests in VMware, Inc. | (5,384) | (7,713) | (16,660) | (13,874) |
| | <u>\$ 205,232</u> | <u>\$ 360,124</u> | <u>\$ 399,301</u> | <u>\$ 611,771</u> |
| Net income attributable to EMC Corporation | | | | |
| Net income per weighted average share, basic: | | | | |
| common shareholders: | <u>\$ 0.10</u> | <u>\$ 0.18</u> | <u>\$ 0.20</u> | <u>\$ 0.30</u> |
| Net income per weighted average share, diluted: | | | | |
| common shareholders: | <u>\$ 0.10</u> | <u>\$ 0.17</u> | <u>\$ 0.20</u> | <u>\$ 0.29</u> |
| Weighted average shares, basic | 2,011,508 | 2,057,766 | 2,010,147 | 2,066,470 |
| Weighted average shares, diluted | 2,030,048 | 2,094,795 | 2,025,433 | 2,102,184 |

Reconciliation of GAAP to Non-GAAP
For the Three Months Ended June 30, 2009
(in thousands, except per share amounts)
Unaudited

| | Revenue | Cost of Revenue | Research and Development | Selling, General and Administrative | Restructuring and Other Special Charges | 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 | \$ 3,257,352 | \$ 1,513,574 | \$ 397,881 | \$ 1,051,204 | \$ 33,234 | \$ 261,459 | \$ (12,798) | \$ 248,661 | \$ 38,045 | \$ 210,616 | \$ (5,384) | \$ 205,232 | \$ 0.102 | \$ 0.101 |
| Restructuring and other special charges | - | - | - | - | (33,234) | 33,234 | - | 33,234 | 5,915 | 27,319 | - | 27,319 | \$ 0.014 | \$ 0.013 |
| EMC Consolidated Adjusted (1) | 3,257,352 | 1,513,574 | 397,881 | 1,051,204 | - | 294,693 | (12,798) | 281,895 | 43,960 | 237,935 | (5,384) | 232,551 | \$ 0.116 | \$ 0.114 |
| Stock-based compensation expense | - | (22,257) | (43,715) | (55,912) | - | 121,884 | - | 121,884 | 26,863 | 95,021 | (7,324) | 87,697 | \$ 0.044 | \$ 0.043 |
| Intangible asset amortization | - | (30,535) | (3,221) | (25,656) | - | 59,412 | - | 59,412 | 20,426 | 38,986 | (350) | 38,636 | \$ 0.019 | \$ 0.019 |
| EMC Consolidated Non-GAAP (2) | \$ 3,257,352 | \$ 1,460,782 | \$ 350,945 | \$ 969,636 | \$ - | \$ 475,989 | \$ (12,798) | \$ 463,191 | \$ 91,249 | \$ 371,942 | \$ (13,058) | \$ 358,884 | \$ 0.178 | \$ 0.177 |

| | | | | | | | | | | | | | | |
|--|--------------|--------------|------------|------------|-----------|------------|-------------|------------|-----------|------------|------|------------|----------|----------|
| EMC Information Infrastructure GAAP | \$ 2,802,239 | \$ 1,432,563 | \$ 277,756 | \$ 838,141 | \$ 33,234 | \$ 220,545 | \$ (12,818) | \$ 207,727 | \$ 31,286 | \$ 176,441 | \$ - | \$ 176,441 | \$ 0.088 | \$ 0.087 |
| Restructuring and other special charges | - | - | - | - | (33,234) | 33,234 | - | 33,234 | 5,915 | 27,319 | - | 27,319 | \$ 0.014 | \$ 0.013 |
| EMC Information Infrastructure Adjusted (3) | 2,802,239 | 1,432,563 | 277,756 | 838,141 | - | 253,779 | (12,818) | 240,961 | 37,201 | 203,760 | - | 203,760 | \$ 0.101 | \$ 0.100 |
| Stock-based compensation expense | - | (15,224) | (17,267) | (34,665) | - | 67,156 | - | 67,156 | 16,388 | 50,768 | - | 50,768 | \$ 0.025 | \$ 0.025 |
| Intangible asset amortization | - | (27,778) | (3,221) | (25,144) | - | 56,143 | - | 56,143 | 19,272 | 36,871 | - | 36,871 | \$ 0.018 | \$ 0.018 |
| EMC Information Infrastructure Non-GAAP (4) | \$ 2,802,239 | \$ 1,389,561 | \$ 257,268 | \$ 778,332 | \$ - | \$ 377,078 | \$ (12,818) | \$ 364,260 | \$ 72,861 | \$ 291,399 | \$ - | \$ 291,399 | \$ 0.145 | \$ 0.144 |

| | | | | | | | | | | | | | | |
|---------------------------------------|------------|-----------|------------|------------|------|-----------|--------|-----------|-----------|-----------|-------------|-----------|------------|------------|
| VMware standalone GAAP | \$ 455,675 | \$ 81,146 | \$ 121,380 | \$ 215,150 | \$ - | \$ 37,999 | \$ 872 | \$ 38,871 | \$ 6,336 | \$ 32,535 | \$ - | \$ 32,535 | \$ 0.016 | \$ 0.016 |
| GAAP adjustments and eliminations | (562) | (135) | (1,255) | (2,087) | - | 2,915 | (852) | 2,063 | 423 | 1,640 | (5,384) | (3,744) | \$ (0.002) | \$ (0.002) |
| VMware within EMC GAAP (5) | 455,113 | 81,011 | 120,125 | 213,063 | - | 40,914 | 20 | 40,934 | 6,759 | 34,175 | (5,384) | 28,791 | \$ 0.014 | \$ 0.014 |
| Stock-based compensation expense | - | (7,033) | (26,448) | (21,247) | - | 54,728 | - | 54,728 | 10,475 | 44,253 | (7,324) | 36,929 | \$ 0.018 | \$ 0.018 |
| Intangible asset amortization | - | (2,757) | - | (512) | - | 3,269 | - | 3,269 | 1,154 | 2,115 | (350) | 1,765 | \$ 0.001 | \$ 0.001 |
| VMware within EMC Non-GAAP (6) | \$ 455,113 | \$ 71,221 | \$ 93,677 | \$ 191,304 | \$ - | \$ 98,911 | \$ 20 | \$ 98,931 | \$ 18,388 | \$ 80,543 | \$ (13,058) | \$ 67,485 | \$ 0.034 | \$ 0.033 |

Wtd. Average Share O/S 2,011,508 2,030,048

Reconciliation of GAAP to Non-GAAP
For the Three Months Ended June 30, 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 and Other Special Charges | 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) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (26,780) | \$ (26,780) | \$ (8,385) | \$ (18,395) | \$ - | \$ (18,395) | \$ (0.009) | \$ (0.009) |
| Transition costs (8) | - | 1,342 | 1,616 | 5,951 | - | (8,909) | - | (8,909) | (2,341) | (6,568) | - | (6,568) | (0.003) | (0.003) |
| | <u>\$ -</u> | <u>\$ 1,342</u> | <u>\$ 1,616</u> | <u>\$ 5,951</u> | <u>\$ -</u> | <u>\$ (8,909)</u> | <u>\$ (26,780)</u> | <u>\$ (35,689)</u> | <u>\$ (10,726)</u> | <u>\$ (24,963)</u> | <u>\$ -</u> | <u>\$ (24,963)</u> | <u>\$ (0.012)</u> | <u>\$ (0.012)</u> |

(1) Represents EMC Consolidated GAAP excluding restructuring and other special charges.

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

(3) Represents EMC Information Infrastructure GAAP excluding restructuring and other special charges.

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

(5) Represents VMware within EMC GAAP.

(6) Represents VMware within EMC excluding stock-based compensation expense and intangible asset 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, 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 asset 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 asset 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 asset 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 asset amortization.
- (3) Represents EMC Information Infrastructure GAAP excluding restructuring charge.
- (4) Represents EMC Information Infrastructure Adjusted excluding stock-based compensation expense and intangible asset amortization.
- (5) Represents VMware within EMC GAAP.
- (6) Represents VMware within EMC excluding stock-based compensation expense and intangible asset 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 June 30, 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 (Benefit) | 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 | \$ 3,673,874 | \$ 1,645,304 | \$ 442,502 | \$ 1,135,674 | \$ - | \$ 450,394 | \$ 11,875 | \$ 462,269 | \$ 94,432 | \$ 367,837 | \$ (7,713) | \$ 360,124 | \$ 0.175 | \$ 0.171 |
| Stock-based compensation expense | - | (19,058) | (39,433) | (61,829) | - | 120,320 | - | 120,320 | 26,455 | 93,865 | (5,043) | 88,822 | \$ 0.043 | \$ 0.042 |
| Intangible asset amortization | - | (39,268) | (2,866) | (26,743) | - | 68,877 | - | 68,877 | 23,045 | 45,832 | (375) | 45,457 | \$ 0.022 | \$ 0.022 |
| EMC Consolidated Non-GAAP (1) | <u>\$ 3,673,874</u> | <u>\$ 1,586,978</u> | <u>\$ 400,203</u> | <u>\$ 1,047,102</u> | <u>\$ -</u> | <u>\$ 639,591</u> | <u>\$ 11,875</u> | <u>\$ 651,466</u> | <u>\$ 143,932</u> | <u>\$ 507,534</u> | <u>\$ (13,131)</u> | <u>\$ 494,403</u> | <u>\$ 0.240</u> | <u>\$ 0.235</u> |
| EMC Information Infrastructure GAAP | \$ 3,221,299 | \$ 1,564,859 | \$ 327,917 | \$ 937,000 | \$ - | \$ 391,523 | \$ 8,313 | \$ 399,836 | \$ 83,024 | \$ 316,812 | \$ - | \$ 316,812 | \$ 0.154 | \$ 0.151 |
| Stock-based compensation expense | - | (12,486) | (19,631) | (43,307) | - | 75,424 | - | 75,424 | 15,770 | 59,654 | - | 59,654 | \$ 0.029 | \$ 0.028 |
| Intangible asset amortization | - | (36,974) | (2,866) | (25,198) | - | 65,038 | - | 65,038 | 21,752 | 43,286 | - | 43,286 | \$ 0.021 | \$ 0.021 |
| EMC Information Infrastructure Non-GAAP (2) | <u>\$ 3,221,299</u> | <u>\$ 1,515,399</u> | <u>\$ 305,420</u> | <u>\$ 868,495</u> | <u>\$ -</u> | <u>\$ 531,985</u> | <u>\$ 8,313</u> | <u>\$ 540,298</u> | <u>\$ 120,546</u> | <u>\$ 419,752</u> | <u>\$ -</u> | <u>\$ 419,752</u> | <u>\$ 0.204</u> | <u>\$ 0.200</u> |
| VMware standalone GAAP | \$ 456,128 | \$ 80,531 | \$ 114,128 | \$ 200,469 | \$ - | \$ 61,000 | \$ 3,101 | \$ 64,101 | \$ 11,765 | \$ 52,336 | \$ - | \$ 52,336 | \$ 0.025 | \$ 0.025 |
| GAAP adjustments and eliminations | (3,553) | (86) | 457 | (1,795) | - | (2,129) | 461 | (1,668) | (357) | (1,311) | (7,713) | (9,024) | \$ (0.004) | \$ (0.005) |
| VMware within EMC GAAP (3) | 452,575 | 80,445 | 114,585 | 198,674 | - | 58,871 | 3,562 | 62,433 | 11,408 | 51,025 | (7,713) | 43,312 | \$ 0.021 | \$ 0.020 |
| Stock-based compensation expense | - | (6,572) | (19,802) | (18,522) | - | 44,896 | - | 44,896 | 10,685 | 34,211 | (5,043) | 29,168 | \$ 0.014 | \$ 0.014 |
| Intangible asset amortization | - | (2,294) | - | (1,545) | - | 3,839 | - | 3,839 | 1,293 | 2,546 | (375) | 2,171 | \$ 0.001 | \$ 0.001 |
| VMware within EMC Non-GAAP (4) | <u>\$ 452,575</u> | <u>\$ 71,579</u> | <u>\$ 94,783</u> | <u>\$ 178,607</u> | <u>\$ -</u> | <u>\$ 107,606</u> | <u>\$ 3,562</u> | <u>\$ 111,168</u> | <u>\$ 23,386</u> | <u>\$ 87,782</u> | <u>\$ (13,131)</u> | <u>\$ 74,651</u> | <u>\$ 0.036</u> | <u>\$ 0.035</u> |

Wtd. Average Share O/S 2,057,766 2,094,795

Reconciliation of GAAP to Non-GAAP
For the Three Months Ended June 30, 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

| | 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 |
|---|---------|-----------------|--------------------------|-------------------------------------|-------------------------|------------------|-------------------|---------------------|----------------------|-------------|-----------------------------------|--------------------------------|--|--|
| Non-cash interest expense on convertible debt (5) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (25,250) | \$ (25,250) | \$ (7,906) | \$ (17,344) | \$ - | \$ (17,344) | \$ (0.008) | \$ (0.008) |

- (1) Represents EMC Consolidated GAAP excluding stock-based compensation expense and intangible asset amortization.
(2) Represents EMC Information Infrastructure GAAP excluding stock-based compensation expense and intangible asset amortization.
(3) Represents VMware within EMC GAAP.
(4) Represents VMware within EMC excluding stock-based compensation expense and intangible asset amortization.
(5) 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

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 asset 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) | \$ 3,470,059 | \$ 1,504,154 | \$ 391,678 | \$ 995,474 | \$ (357) | \$ 579,110 | \$ 29,308 | \$ 608,418 | \$ 136,683 | \$ 471,735 | \$ (11,605) | \$ 460,130 | \$ 0.222 | \$ 0.217 |

| | | | | | | | | | | | | | | |
|--|--------------|--------------|------------|------------|-----------|------------|-----------|------------|------------|------------|------|------------|----------|----------|
| 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 asset 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) | \$ 3,031,889 | \$ 1,435,580 | \$ 294,505 | \$ 822,978 | \$ (357) | \$ 479,183 | \$ 26,669 | \$ 505,852 | \$ 117,557 | \$ 388,295 | \$ - | \$ 388,295 | \$ 0.187 | \$ 0.184 |

| | | | | | | | | | | | | | | |
|---------------------------------------|------------|-----------|------------|------------|------|-----------|----------|------------|-----------|-----------|-------------|-----------|------------|------------|
| 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 asset 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) | \$ 438,170 | \$ 68,574 | \$ 97,173 | \$ 172,496 | \$ - | \$ 99,927 | \$ 2,639 | \$ 102,566 | \$ 19,126 | \$ 83,440 | \$ (11,605) | \$ 71,834 | \$ 0.035 | \$ 0.033 |

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

| | 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 |
|---|---------|-----------------|--------------------------|-------------------------------------|-------------------------|------------------|-------------------|---------------------|----------------------|-------------|-----------------------------------|--------------------------------|--|--|
| Non - cash interest expense on convertible debt (7) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (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 asset amortization.

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

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

(5) Represents VMware within EMC GAAP.

(6) Represents VMware within EMC excluding stock-based compensation expense and intangible asset 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
Consolidated Balance Sheets
(in thousands, except per share amounts)
Unaudited

| | June 30, 2009 | December 31, 2008 (As Adjusted) |
|--|------------------|---------------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 6,422,760 | \$ 5,843,685 |
| Short-term investments | 835,490 | 963,292 |
| Accounts and notes receivable, less allowance for doubtful accounts of \$52,761 and \$48,080 | 1,855,986 | 2,252,640 |
| Inventories | 773,528 | 842,803 |
| Deferred income taxes | 457,193 | 477,101 |
| Other current assets | 341,305 | 285,508 |
| Total current assets | 10,686,262 | 10,665,029 |
| Long-term investments | 2,765,946 | 2,370,493 |
| Property, plant and equipment, net | 2,229,053 | 2,223,007 |
| Intangible assets, net | 698,180 | 795,616 |
| Goodwill, net | 7,109,565 | 7,046,799 |
| Other assets, net | 998,326 | 773,631 |
| Total assets | \$ 24,487,332 | \$ 23,874,575 |
| LIABILITIES & SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 697,389 | \$ 757,405 |
| Accrued expenses | 1,812,674 | 1,901,884 |
| Securities lending payable | 260,125 | 412,321 |
| Income taxes payable | - | 136,802 |
| Deferred revenue | 2,137,173 | 2,010,024 |
| Total current liabilities | 4,907,361 | 5,218,436 |
| Income taxes payable | 226,517 | 255,182 |
| Deferred revenue | 1,208,825 | 1,182,360 |
| Deferred income taxes | 454,516 | 389,787 |
| Long-term convertible debt | 3,045,022 | 2,991,943 |
| Other liabilities | 196,730 | 180,917 |
| Total Liabilities | 10,038,971 | 10,218,625 |
| Commitments and contingencies | | |
| EMC Corporation's Shareholders' equity: | | |
| Preferred stock, par value \$.01; authorized 25,000 shares, none outstanding | - | - |
| Common stock, par value \$.01; authorized 6,000,000 shares; issued 2,022,048 and 2,012,938 shares | 20,220 | 20,129 |
| Additional paid-in capital | 3,105,717 | 2,817,054 |
| Retained earnings | 11,070,513 | 10,671,212 |
| Accumulated other comprehensive loss | (141,487) | (179,952) |
| Total EMC Corporation's shareholders' equity | 14,054,963 | 13,328,443 |
| Non-controlling interest in VMware, Inc. | 393,398 | 327,507 |
| Total shareholders' equity | 14,448,361 | 13,655,950 |
| Total liabilities and shareholders' equity | \$ 24,487,332 | \$ 23,874,575 |

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

| | Six Months Ended | |
|---|------------------|-----------------------------------|
| | June 30, 2009 | June 30, 2008 (As Adjusted) |
| Cash flows from operating activities: | | |
| Cash received from customers | \$ 6,951,380 | \$ 7,585,822 |
| Cash paid to suppliers and employees | (5,348,576) | (5,947,544) |
| Dividends and interest received | 73,448 | 135,058 |
| Interest paid | (35,900) | (36,778) |
| Income taxes paid | (202,273) | (199,689) |
| Net cash provided by operating activities | 1,438,079 | 1,536,869 |
| Cash flows from investing activities: | | |
| Additions to property, plant and equipment | (205,512) | (326,449) |
| Capitalized software development costs | (151,774) | (118,848) |
| Purchases of short and long-term available for sale securities | (3,315,606) | (1,005,655) |
| Sales and maturities of short and long-term available for sale securities | 3,078,580 | 1,572,954 |
| Purchase of Data Domain common stock | (65,000) | - |
| Acquisitions, net of cash acquired | (98,860) | (604,788) |
| Increase in strategic and other related investments | (107,055) | (3,060) |
| Net cash used in investing activities | (865,227) | (485,846) |
| Cash flows from financing activities: | | |
| Issuance of EMC's common stock from the exercise of stock options | 84,028 | 156,220 |
| Issuance of VMware's common stock from the exercise of stock options | 81,606 | 133,327 |
| Repayments on securities lending | (152,196) | - |
| Repurchase of EMC's common stock | - | (686,950) |
| Excess tax benefits from stock-based compensation | 6,715 | 88,613 |
| Payment of short and long-term obligations | (19,364) | (5,279) |
| Proceeds from short and long-term obligations | 1,116 | 1,820 |
| Net cash used in financing activities | 1,905 | (312,249) |
| Effect of exchange rate changes on cash | 4,318 | (1,638) |
| Net increase in cash and cash equivalents | 579,075 | 737,136 |
| Cash and cash equivalents at beginning of period | 5,843,685 | 4,482,211 |
| Cash and cash equivalents at end of period | \$ 6,422,760 | \$ 5,219,347 |
| Reconciliation of net income to net cash provided by operating activities: | | |
| Net income | \$ 415,961 | \$ 625,645 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 509,066 | 517,692 |
| Non-cash interest expense on convertible debt | 53,079 | 50,277 |
| Non-cash restructuring and in-process research and development | 9,300 | 80,970 |
| Stock-based compensation expense | 234,531 | 239,405 |
| Increase in provision for doubtful accounts | 7,219 | 8,576 |
| Deferred income taxes, net | 60,067 | 10,431 |
| Excess tax benefits from stock-based compensation | (6,715) | (88,613) |
| Other | 450 | (5,123) |
| Changes in assets and liabilities, net of acquisitions: | | |
| Accounts and notes receivable | 391,899 | 160,492 |
| Inventories | (9,910) | 12,668 |
| Other assets | (37,540) | (35,719) |
| Accounts payable | (27,915) | (61,343) |
| Accrued expenses | (134,894) | (248,139) |
| Income taxes payable | (186,480) | (32,677) |
| Deferred revenue | 144,148 | 272,821 |
| Other liabilities | 15,813 | 29,506 |
| Net cash provided by operating activities | \$ 1,438,079 | \$ 1,536,869 |

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

| | Three Months Ended | | Six Months Ended | |
|---------------------------------------|--------------------|-------------------|---------------------|---------------------|
| | June 30, 2009 | June 30, 2008 | June 30, 2009 | June 30, 2008 |
| EMC Consolidated | | | | |
| Cash flow from Operations | \$ 574,388 | \$ 618,577 | \$ 1,438,079 | \$ 1,536,869 |
| Capital Expenditures | (110,192) | (179,937) | (205,512) | (326,449) |
| Capitalized Software | (64,147) | (64,527) | (151,774) | (118,848) |
| Free Cash Flow | <u>\$ 400,049</u> | <u>\$ 374,113</u> | <u>\$ 1,080,793</u> | <u>\$ 1,091,572</u> |
| | | | | |
| VMware within EMC | | | | |
| Cash flow from Operations | \$ 225,351 | \$ 126,699 | \$ 466,294 | \$ 232,757 |
| Capital Expenditures | (23,323) | (45,324) | (47,649) | (86,343) |
| Capitalized Software | (14,745) | (11,770) | (44,680) | (15,934) |
| Free Cash Flow | <u>\$ 187,283</u> | <u>\$ 69,605</u> | <u>\$ 373,965</u> | <u>\$ 130,480</u> |
| | | | | |
| EMC Information Infrastructure | | | | |
| Cash flow from Operations | \$ 349,037 | \$ 491,878 | \$ 971,785 | \$ 1,304,112 |
| Capital Expenditures | (86,869) | (134,613) | (157,863) | (240,106) |
| Capitalized Software | (49,402) | (52,757) | (107,094) | (102,914) |
| Free Cash Flow | <u>\$ 212,766</u> | <u>\$ 304,508</u> | <u>\$ 706,828</u> | <u>\$ 961,092</u> |

Free cash flow for the three months ended June 30, 2009 includes intercompany tax payments of \$85.4 million from EMC Information Infrastructure to VMware within EMC.

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> | <u>Q2 '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 | \$ 1,179,673 |
| Less: Stock-based compensation | 12,755 | 11,516 | 9,530 | 8,853 | 10,131 | 10,406 | 13,060 | 13,877 | 11,885 | 12,686 |
| Intangible asset amortization | 8,343 | 8,352 | 8,885 | 9,727 | 10,374 | 11,394 | 11,614 | 11,681 | 8,217 | 8,167 |
| 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> | <u>\$ 1,200,526</u> |

EMC Corporation
Reconciliation of Expected EMC Information Storage Gross Margin Percentage
Second Half of 2009

| | |
|--|--------------|
| EMC Information Storage Gross Margin GAAP Percentage | 50.0% |
| Stock-based compensation | 0.6 |
| Intangible asset amortization | 0.4 |
| | <hr/> |
| EMC Information Storage Gross Margin Non-GAAP Percentage | <u>51.0%</u> |

**EMC Corporation
Supplemental
Revenue Analysis
(in thousands)
Unaudited**

Supplemental Revenue Data

| | Q1 2008 | Q2 2008 | Q3 2008 | Q4 2008 | YTD 2008 | Q1 2009 | Q2 2009 |
|--|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|---------------------|
| Information Storage: | | | | | | | |
| Product Revenue | \$ 1,903,639 | \$ 2,018,026 | \$ 2,056,498 | \$ 2,285,366 | \$ 8,263,529 | \$ 1,572,408 | \$ 1,632,309 |
| Services Revenue | 808,190 | 855,221 | 851,825 | 853,539 | 3,368,775 | 790,932 | 842,558 |
| Total Information Storage Revenue | \$ 2,711,829 | \$ 2,873,247 | \$ 2,908,323 | \$ 3,138,905 | \$ 11,632,304 | \$ 2,363,340 | \$ 2,474,867 |
| Content Management and Archiving: | | | | | | | |
| Product Revenue | \$ 61,128 | \$ 73,415 | \$ 62,576 | \$ 81,054 | \$ 278,173 | \$ 58,710 | \$ 60,792 |
| Services Revenue | 124,075 | 130,591 | 125,493 | 127,316 | 507,475 | 115,605 | 119,445 |
| Total Content Management and Archiving Revenue | \$ 185,203 | \$ 204,006 | \$ 188,069 | \$ 208,370 | \$ 785,648 | \$ 174,315 | \$ 180,237 |
| Security: | | | | | | | |
| Product Revenue | \$ 81,683 | \$ 89,067 | \$ 88,779 | \$ 95,534 | \$ 355,063 | \$ 80,671 | \$ 84,080 |
| Services Revenue | 53,174 | 54,979 | 58,561 | 59,498 | 226,212 | 62,035 | 63,055 |
| Total Security Revenue | \$ 134,857 | \$ 144,046 | \$ 147,340 | \$ 155,032 | \$ 581,275 | \$ 142,706 | \$ 147,135 |
| EMC Information Infrastructure: | | | | | | | |
| Product Revenue | \$ 2,046,450 | \$ 2,180,508 | \$ 2,207,853 | \$ 2,461,954 | \$ 8,896,765 | \$ 1,711,789 | \$ 1,777,181 |
| Services Revenue | 985,439 | 1,040,791 | 1,035,879 | 1,040,353 | 4,102,462 | 968,572 | 1,025,058 |
| Total EMC Information Infrastructure Revenue | \$ 3,031,889 | \$ 3,221,299 | \$ 3,243,732 | \$ 3,502,307 | \$ 12,999,227 | \$ 2,680,361 | \$ 2,802,239 |
| VMware: | | | | | | | |
| Product Revenue | \$ 293,980 | \$ 281,143 | \$ 285,088 | \$ 314,840 | \$ 1,175,051 | \$ 257,331 | \$ 228,089 |
| Services Revenue | 144,190 | 171,432 | 186,772 | 199,491 | 701,885 | 213,070 | 227,024 |
| Total VMware Revenue | \$ 438,170 | \$ 452,575 | \$ 471,860 | \$ 514,331 | \$ 1,876,936 | \$ 470,401 | \$ 455,113 |
| Consolidated Revenues | | | | | | | |
| Product Revenue | \$ 2,340,430 | \$ 2,461,651 | \$ 2,492,941 | \$ 2,776,794 | \$ 10,071,816 | \$ 1,969,120 | \$ 2,005,270 |
| Services Revenue | 1,129,629 | 1,212,223 | 1,222,651 | 1,239,844 | 4,804,347 | 1,181,642 | 1,252,082 |
| Total Consolidated Revenues | \$ 3,470,059 | \$ 3,673,874 | \$ 3,715,592 | \$ 4,016,638 | \$ 14,876,163 | \$ 3,150,762 | \$ 3,257,352 |
| Percentage impact to EMC revenue growth rate due to changes in exchange rates from the prior year | 2.3% | 2.7% | 1.2% | (2.3)% | 0.8% | (3.5)% | (3.7)% |