

March 2011

Dear Fellow Shareholder,

I am tremendously proud of EMC's record-breaking performance in 2010. It was a year marked by rapid growth for EMC, significant market share gains, meaningful financial leverage and substantial investment in technology innovation.

We emerged from the Great Recession of 2008/2009 and entered 2010 in top financial and operational shape. We also entered the year with a compelling vision and industry-leading products and services to take our customers securely on their journey to cloud computing. We bolstered our position with healthy, strategic partnerships, and, above all, we had the right people to make 2010 the best year in company history. In 2010, EMC achieved all-time company records for consolidated revenue, profit and cash flow generation. For these achievements, I offer my thanks and congratulations to our more than 48,500 EMC and VMware employees around the globe for their leadership, laser focus on our customers and dedication to our company.

This great success in 2010 positioned EMC to lead and accelerate what I believe will be the largest wave of IT industry transformation in history—the cloud computing wave. Businesses and organizations everywhere are frustrated with the increasing complexity, inflexibility and high cost of their legacy IT environments. The proliferation of mobile devices, the exponential growth of connectivity to these devices, the explosion of new-generation applications and the adoption of digital social interaction are influential mega trends driving the rapid IT transformation.

EMC and VMware have embarked on a shared vision to be the undisputed leader in enabling hybrid cloud computing through infrastructure and application transformation. As customers take advantage of both private and public clouds by federating—or operating their various application loads between their own private clouds and the public clouds of their chosen service provider partner—this hybrid cloud model will enable massive business agility and significantly lower costs of deploying and managing IT.

EMC is shaping and accelerating this wave of IT transformation. In fact, our industry-leading portfolio of virtualization, information storage, information protection, information security and information management and intelligence products and services are essential for helping customers realize the full potential of cloud computing safely and efficiently.

2010 Financial Performance

Full-year consolidated 2010 revenue reached a record \$17.0 billion, 21 percent higher than our 2009 revenue and \$1 billion ahead of the goal we set for our business at the beginning of the year. We exceeded our full-year, non-GAAP EPS* goal by 13 percent, achieving non-GAAP earnings per diluted share* of \$1.26, an increase of 40 percent year over year. EMC also achieved record full-year operating cash flow and free cash flow* of \$4.5 billion and \$3.4 billion, which grew 36 percent and 31 percent, respectively, compared with 2009. We ended the year with \$9.5 billion in cash and investments. These results highlight our sustained financial strength and flexibility, enabling us to invest in our business for long-term growth. The performance of our stock in 2010 reflected our ability to exceed our aggressive goals, climbing 31 percent during the year and outperforming the Dow, the S&P 500 and the S&P high-tech indices over the same period.

VMware, the EMC majority-owned and publicly-traded global leader in virtualization and cloud infrastructure, contributed revenue of \$2.9 billion, an increase of 41 percent from 2009. VMware's virtualization solutions represent a pioneering approach to computing that separates application software from the underlying IT hardware to achieve significant improvements in efficiency, availability, flexibility and manageability, providing customers a clear path to operating their IT as a cloud. EMC products have been developed from the ground up to be optimized for this virtual data center environment.

During 2010, EMC invested approximately \$1.9 billion in R&D to significantly extend its technology lead and invested an additional \$3.2 billion in acquisitions targeted at emerging, high-growth segments of the IT market. We also invested substantially in the company's cloud services business, go-to-market capabilities, international sales infrastructure and worldwide partner network. Consistent with our strategy, we remained laser focused on executing our financial triple play: simultaneously gaining market share in all our key markets, reinvesting in our business for long-term growth, and delivering financial leverage in our operating model for improved profitability. Tremendous progress in each of these areas helped EMC begin 2011 in the best financial and operating shape in the company's history.

With our solid financial foundation, the momentum we are driving and our market opportunity before us, we have a high level of confidence for the year ahead. In 2011, we have projected that EMC will grow revenue 15 percent to \$19.6 billion; non-GAAP net income* 20 percent to approximately \$3.25 billion; and non-GAAP EPS* 16 percent to \$1.46, while increasing our buyback of EMC shares from \$1 billion in 2010 to \$1.5 billion in 2011. EMC's free cash flow* target for 2011 is \$4 billion. This is remarkable growth, particularly for a company of our size and relative to the very high bar we set for ourselves in 2010.

Growth Drivers

Opportunity is in the air for EMC. Armed with the strongest product portfolio in company history, EMC is positioned squarely at the intersection of two of the most sweeping trends in IT—cloud computing and “Big Data.”

First, cloud computing. Faced with excessive IT complexity and relentlessly-growing information, most organizations spend over two-thirds of their IT budgets simply maintaining their infrastructure and applications, and less than one-third on innovative or competitive advances. By enabling IT to deliver dynamic and cost-effective services that scale to the needs of a business, cloud computing will help to balance that spending ratio by freeing up an enterprise's resources to focus on innovation.

Most customers will progress along their journey to the cloud via three phases. In the IT Production phase, customers realize operational efficiencies in the business through virtualization, server consolidation and storage optimization of those applications typically owned by the IT department. In the Business Production phase, increases in productivity and improved quality of service are achieved by extending the value of virtualization to existing business-owned, mission-critical applications. Finally, customers will evolve to the ability to deliver IT-as-a-Service whereby IT will offer a wider variety of secure, cloud-based services with consistent service levels through a self-service catalogue. To date, many of our customers have embraced a wide variety of EMC and VMware solutions to begin consolidating their environment, tearing down traditional data center silos and embarking on this journey toward business agility. True to this strategy, EMC's own IT organization has virtualized 75 percent of its mission-critical server environment; saved the company millions of dollars in capital and operational expenditures in the first two phases and is well on its way to delivering IT-as-a-Service.

EMC has invested in unique partnerships to benefit customers that are looking for the fastest and easiest ways to transition to cloud architectures. In 2010, EMC and Cisco further expanded and strengthened VCE Company, or the Virtual Computing Environment Company, a joint venture formed by EMC and Cisco with additional investments from VMware and Intel. VCE, through its Vblock™ platforms, delivers the industry's first completely integrated IT offering that combines best-in-class network, computing, storage, management, security and virtualization technologies with full end-to-end vendor accountability. Customers around the world are rapidly embracing this best-in-class technology to simplify their cloud deployments dramatically.

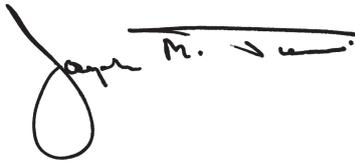
The second major growth driver for 2011 is “Big Data,” which refers to the enormous and far-reaching information repositories being created through geophysical exploration, gene sequencing, medical imaging, Internet-based businesses, mobile devices and mobile applications, to name just a few. Big Data also refers to the new analytics and other technologies that are now available to help people do enormously powerful things with (and unlock the value contained within) the petabytes upon petabytes of enterprise and external data. EMC is best positioned to help customers store, manage, secure and protect this information. With the acquisition of Greenplum and Isilon, as well as our continued investment in the Atmos™ platform, EMC is unlocking the true potential of “Big Data” and is poised to capture much of this large and growing market opportunity.

Without hesitation, I can say that our investments, hard work and strategic decisions over recent years have positioned EMC well for 2011 and beyond. While we anticipate worldwide IT spending to grow about 5-7 percent in 2011, EMC has an opportunity to tackle a much faster-growing market opportunity spanning data center infrastructure and services, enterprise applications and even client devices.

Long-term Sustainability

It's evident that the long-term success of our business depends on the aforementioned achievements, but also on an economically vital, inclusive and educated society as well as a healthy environment. We therefore strive to make decisions and operate our business with sustainability—our environmental, social and economic impacts—in mind. In 2010, we conducted our first multi-stakeholder forum with EMC executives and external stakeholders to discuss EMC's environmental performance and opportunities. We launched our green data center in Durham, NC, earned LEED certification for our India Center of Excellence and received the Haute Qualité Environnementale (HQE) award for our office in River Ouest, France. We introduced a new generation of products with industry-leading technology for power supply efficiency to enable our customers to run their data centers more efficiently. And, we were recognized for our sustainability efforts, earning accolades including the 19th spot on Corporate Responsibility Magazine's 100 Best Corporate Citizens list. We continue to accelerate our journey to sustainability, acknowledging we have a lot still to accomplish.

Now entering my 12th year with EMC, I can say confidently that I have never been more excited or optimistic about EMC's future. Our shared vision with VMware to be the undisputed leader in hybrid cloud computing, combined with our focus on the customer and track record of execution, cause me to believe that we are the best positioned company to lead the next wave of IT transformation. I remain confident in our ability to deliver another record year that will include double-digit revenue growth, improving profitability, market share gains and investment for the future.

A handwritten signature in black ink, appearing to read "Joseph M. Tucci". The signature is stylized with a large loop at the beginning and a horizontal line extending to the right.

Joseph M. Tucci
Chairman, President and Chief Executive Officer
EMC Corporation

***Reconciliation of Earnings Per Share to Non-GAAP Earnings Per Share (Per Weighted Average Share, Diluted)**

	Twelve Months Ended	
	December 31, 2010	December 31, 2009
Consolidated GAAP EPS.....	\$ 0.880	\$ 0.528
Provision for Litigation.....	-	0.025
Gain on Data Domain & SpringSource Common Stock.....	-	(0.012)
Restructuring & Acquisition-Related Charges.....	0.034	0.041
Special Income Tax Charge.....	0.039	0.030
Stock-Based Compensation Expense.....	0.220	0.212
Intangible Asset Amortization.....	0.087	0.079
Consolidated Non-GAAP EPS.....	\$ 1.260	\$ 0.903

***Reconciliation of Cash Flow from Operations to Free Cash Flow
(in 000s)**

	Twelve Months Ended	
	December 31, 2010	December 31, 2009
Cash Flow from Operations.....	\$ 4,548,843	\$ 3,334,385
Capital Expenditures.....	(745,412)	(411,579)
Capitalized Software.....	(362,956)	(304,520)
Free Cash Flow.....	\$ 3,440,475	\$ 2,618,286

*** Reconciliation of GAAP to Non-GAAP 2011 Outlook**

Consolidated GAAP net income is expected to be \$2.4 billion in 2011 and consolidated non-GAAP net income is expected to be \$3.25 billion in 2011. Excluded from consolidated non-GAAP net income are restructuring and acquisition-related charges, stock-based compensation expense and intangible asset amortization, which are expected to account for approximately \$100 million, \$600 million and \$200 million, respectively.

Consolidated GAAP diluted earnings per share are expected to be \$1.07 for 2011 and consolidated non-GAAP diluted earnings per share are expected to be \$1.46 for 2011. Excluded from consolidated non-GAAP diluted earnings per share are restructuring and acquisition-related charges, stock-based compensation expense and intangible asset amortization, which are expected to be \$0.03, \$0.27, and \$0.09 per diluted share, respectively.

Consolidated GAAP cash flow from operations is expected to be \$5.34 billion in 2011 and consolidated non-GAAP free cash flow is expected to be \$4.0 billion in 2011. Included in consolidated non-GAAP free cash flow are capital expenditures and capitalized software, which are expected to be approximately \$900 million and \$440 million, respectively.

This letter 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; and (xiv) 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 letter. This document contains non-GAAP financial measures. A reconciliation of these non-GAAP financial measures to GAAP is provided above. Management uses such non-GAAP financial measures to gain an understanding of its comparative operating performance and future prospects. Management believes that these measures provide useful information to investors and others in understanding and evaluating EMC's current operating performance and future prospects in the same manner as management does, if investors so choose, and in comparing in a consistent manner the Company's current financial results with the Company's past financial results.

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