March 2013

Dear Fellow Shareholder,

EMC is squarely focused on three of the most important drivers in information technology for enterprise customers today: 1) the adoption of cloud computing to improve agility and reduce IT costs, 2) leveraging vast quantities of data to make smarter decisions and uncover new business opportunities, and 3) protecting and securing information to ensure that IT is trusted.

Our focus on Cloud, Big Data and Trusted IT was rewarded in 2012 with record breaking financial performance and market share gains in core segments of our business.

In a year when IT spending worldwide grew by approximately two percent, EMC consolidated revenue grew by nine percent in 2012, to a record $21.7 billion. Our ability to grow revenues approximately four times faster than IT spending last year reflects how well we are positioned in key segments of the market and demonstrates our ability to execute.

Consistent with our goals, EMC grew earnings faster than revenues in 2012. Net income grew 11 percent over 2011 to a record high $2.7 billion on a GAAP basis ($3.8 billion on a non-GAAP basis[1]). EMC generated record operating cash flow of $6.3 billion and free cash flow[2] of $5.0 billion in 2012, increases of 10 percent and 14 percent respectively year-over-year.

We invested 12 percent of 2012 revenues in research and development and invested an additional 10 percent of revenues in acquisitions to keep our product portfolio on the leading edge of technology leadership. We ended 2012 with a record $11.4 billion in cash and investments, after returning $700 million to EMC shareholders through stock buy backs last year. The value of EMC shares grew by 17.5 percent in 2012, outpacing the 13.4 percent return of the S&P 500 index.

Looking forward, we are confident that our strategy and our proven track record of execution position our business to succeed into the future.

EMC is now well established as an influential leader in cloud computing, a new wave that is both transforming and disrupting IT. Enterprise customers look to us to help them deliver IT as a Service—standardizing, virtualizing and fully automating their IT infrastructure to improve agility and lower costs. Above all else, we believe that our customers want freedom of choice in their IT deployments, and we propose an architecture that offers flexibility and openness. The benefits of efficiency, control, choice and agility are key differentiators of our strategy and a competitive advantage for our business.

The foundation of our cloud offering is IT Information Infrastructure used to manage one of the most precious assets of any business—information. This includes our best-of-breed information storage, information protection, information security and information intelligence solutions, all of which are overseen by EMC President and COO David Goulden. An 11-year senior EMC veteran and our CFO since 2006, David assumed responsibility last July of day-to-day management of our information infrastructure business units, Sales and Customer Operations, Services, and G&A functions.

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To make IT infrastructure more efficient and more agile, customers deploy solutions from VMware, the EMC majority-owned leader in virtualization and cloud infrastructure. VMware integrates well with EMC Information Infrastructure but also supports a broad ecosystem of partners offering our customers choice in their IT deployments. Pat Gelsinger, formerly President of EMC Infrastructure Products, became CEO of VMware last September. VMware contributed revenue of $4.6 billion in 2012, an increase of 22 percent over 2011. VMware's future opportunity lies in two areas: developing the automation tools to operate the software-defined data center of tomorrow in both private and hybrid cloud environments and solving the issue of end-user computing in the post-PC era as businesses look to access their corporate applications using a host of mobile devices.

A generation ago, the introduction of personal computers changed the way applications were developed and deployed. Today, next-generation applications are being built upon cloud architectures for users on mobile devices, leveraging collaborative, social networking tools.

Tomorrow's applications will harness data in unprecedented varieties of formats, coming from more sources, faster than ever. According to the research firm IDC, some 200 billion devices and objects will be connected to the Internet by 2020, with machine-generated data making up 40 percent of the digital universe. Of all the opportunities we see, none appears more promising than Big Data and the transformative potential of real-time, predictive analytics to help solve problems and identify new sources of revenue for innovative businesses in any industry.

In order to better position EMC to shape the next generation platform for application developers and help customers reap the value of Big Data, we are forming a new joint venture company with VMware called the Pivotal Initiative. This new entity will be led by Paul Maritz, EMC Chief Strategist and VMware's former CEO. The Pivotal Initiative will bring focus and attention to these growth segments, drawing together into one group relevant talent and technologies from EMC and VMware. This new joint venture will follow the successful approach we established with VMware, having the freedom to innovate and build its own ecosystem of partners. We believe this will not only offer our customers choice, it will lead to the development of breakthrough capabilities in the way organizations deploy cloud applications and leverage Big Data to create new business value.

For all of these trends to realize their full potential, IT environments must be trusted and secure. The use of smart phones and tablet computers to access applications in cloud environments makes work more convenient and productive. But it also makes it harder for IT resources to defend against sophisticated, targeted attacks. As a result, risk managers from IT departments to the boardroom are realizing that yesterday's perimeter-based security approach (defenses such as firewalls and anti-virus protection) is, by itself, no longer adequate for the task.

Our RSA Security Division is leading the move to new intelligence-driven approaches to security, enabling better protection against advanced threats and ensuring trusted access to information assets. We call this new approach "Security Analytics," as RSA employs Big Data tools and technologies to help customers defend networks, reduce fraud and manage risk. The ability to analyze all kinds of security data (both inside and outside an enterprise, in real time) is transformational. It enables systems to instantly recognize unusual characteristics in user behavior, whether on corporate networks or browsing consumer websites that may indicate cybercrime or fraud. Our 2012 acquisition of Silver Tail, which provides real-time web session intelligence and behavioral analysis, strengthens the RSA portfolio for today's most urgent security challenges.

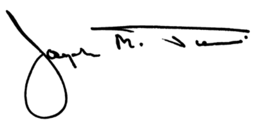
In summary, our three businesses (EMC Information Infrastructure, VMware, and the Pivotal Initiative) are squarely focused on areas of IT that are expected to experience high growth over the next decade: Cloud Computing, Big Data and Trusted IT in an ever more connected and mobile world. Each of these businesses is chartered to build their appropriate ecosystem of technology and partners necessary to succeed. Additionally, and very importantly, they are strategically aligned and leverage one another's strengths for the benefit of our customers and shareholders.

To complement innovations generated within EMC, we will continue to look to acquire companies with innovative technology, world-class talent and capabilities that fortify our portfolio for customers, enlarge our opportunity and accelerate our growth.

Confident in our future, we announced in January our plan to increase our stock buyback to $1 billion this year. At the same time, we said that we expect worldwide IT spending to grow by approximately three percent this year and consolidated revenues to grow faster than that, at eight percent year-over-year to approximately $23.5 billion in 2013. We expect non-GAAP earnings per share[3] to grow faster than revenues in 2013 to $1.85 and free cash flow[4] to grow by approximately 10 percent in 2013, to $5.5 billion.

I am incredibly energized by the strength of our business model, our talented team of 60,000 people around the world and by the enormous opportunities that we have ahead of us.

Thank you,



Joseph M. Tucci
Chairman and Chief Executive Officer

[1] **Reconciliation of Net Income to Non-GAAP Net Income[†]**

(in thousands)	Twelve Months Ended December 31, 2012
Net Income Attributable to EMC	$ 2,732,613
Restructuring and acquisition-related charges	88,279
Stock-based compensation expense	622,504
Intangible asset amortization	237,626
Amortization of VMware's capitalized software from prior periods	32,996
RSA special charge (release)	(18,097)
Loss on interest rate swaps	24,461
Gain on strategic investment	(31,599)
Special tax charges	10,660
R&D tax credit	60,044
Non-GAAP Net Income	$ 3,759,487

† Net of tax and non-controlling interest in VMware, Inc.

Note: Schedule may not add up due to rounding.

[2] **Reconciliation of Cash Flow From Operations to Free Cash Flow**

(in thousands)

	Twelve Months Ended	
	December 31, 2012	December 31, 2011
Cash flow from operations	$ 6,262,419	$ 5,668,815
Capitalized expenditures	(819,159)	(801,375)
Capitalized software development costs	(419,079)	(442,341)
Free cash flow	$ 5,024,181	$ 4,425,099

[3] **Reconciliation of GAAP to Non-GAAP 2013 Earnings Per Share**

Consolidated GAAP earnings per weighted average diluted share are expected to be $1.35 for 2013 and consolidated non-GAAP earnings per weighted average diluted share are expected to be $1.85 for 2013. Excluded from consolidated non-GAAP earnings per weighted average diluted share are stock-based compensation expense, intangible asset amortization, restructuring and acquisition-related charges, the amortization of VMware's capitalized software from prior periods and the benefit of the 2012 R&D tax credit which account for $0.33, $0.12, $0.07, $0.01 and ($0.03) per weighted average diluted share, respectively.

[4] **Reconciliation of 2013 Net Cash Provided by Operating Activities to Free Cash Flow**

Consolidated net cash provided by operating activities is expected to be approximately $6.8 billion for 2013 and free cash flow is expected to be $5.5 billion. Excluded from free cash flow are $900 million of additions to property, plant and equipment and $400 million of capitalized software development costs.

This document contains non-GAAP financial measures. A reconciliation of these non-GAAP financial measures to GAAP is provided above. Management uses the non-GAAP financial measures to gain an understanding of its comparative operating performance and future prospects. Management believes that these measures provide useful information 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.

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) the relative and varying rates of product price and component cost declines and the volume and mixture of product and services revenues; (iv) competitive factors, including but not limited to pricing pressures and new product introductions; (v) component and product quality and availability; (vi) fluctuations in VMware, Inc.'s operating results and risks associated with trading of VMware stock; (vii) the transition to new products, the uncertainty of customer acceptance of new product offerings and rapid technological and market change; (viii) 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; (ix) the ability to attract and retain highly qualified employees; (x) insufficient, excess or obsolete inventory; (xi) fluctuating currency exchange rates; (xii) threats and other disruptions to our secure data centers or networks; (xiii) our ability to protect our proprietary technology; (xiv) war or acts of terrorism; 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 letter.

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