

EMC Q3 2010 FINANCIAL RESULTS

Tony Takazawa
Vice President, Global Investor Relations

October 19, 2010

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; 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 presentation.

This presentation contains non-GAAP financial measures which include, but are not limited to, non-GAAP Net Income, non-GAAP EPS, Free Cash Flow, non-GAAP Gross Margin, 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 October 19, 2010 which can be found at www.EMC.com or www.sec.gov.

CFO Commentary

David Goulden
Executive Vice President & CFO

EMC Consolidated Results

Q310 Highlights

- Record Revenues of over \$4.2B, up 20% Y/Y
- Record Q3 Non-GAAP Net Income of \$649M, up 35% Y/Y
- Non-GAAP EPS of \$0.30, up 30% Y/Y
- Record year-to-date Free Cash Flow of \$2.2B, up 22% YTD
- Non-GAAP Operating Margin was 21.5%, up 80 bps Q/Q

Executing the Triple Play

Journey to the Private Cloud

Three Phase Approach

- Phase I: Virtualization of IT-owned applications
 - Virtualization + Simple, Efficient, vm Integrated Storage

- Phase II: Virtualization of business-critical applications
 - Phase I Requirements + Quality of Service Guarantees/Service level agreements

- Phase III: Full benefit of cloud – “IT as a Service”
 - Phase I and II Requirements + capabilities like automation, provisioning and chargeback
 - Elastic cloud of compute resources – Ability to use public cloud services

Journey to the Private Cloud

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EMC examples: VMware virtualization, Unified Storage, and Efficient Technologies such as SSDs, FAST, FAST Cache

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EMC examples: vCenter AppSpeed, vSphere Storage, Network IO Control, VMAX, VPLEX, Deduplication and Security

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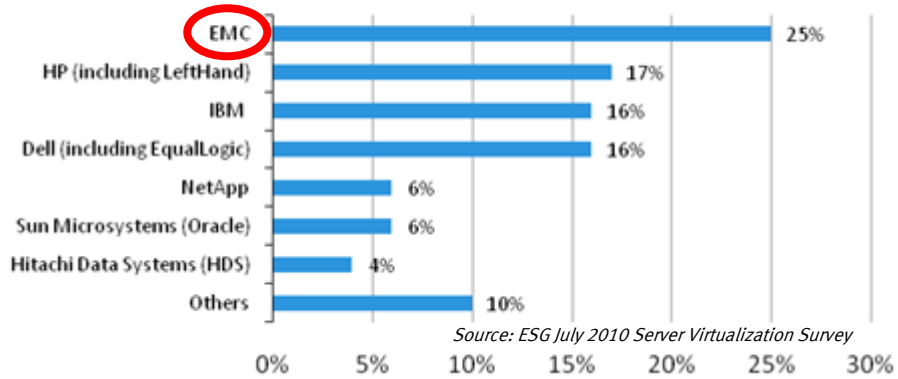
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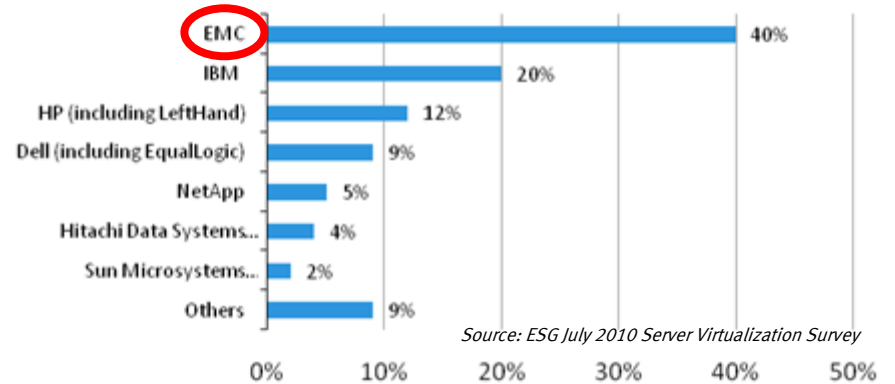
EMC examples: vCloud Director, Unified Infrastructure Manager (UIM), vBlocks

EMC is Storage Vendor of Choice for Virtualization

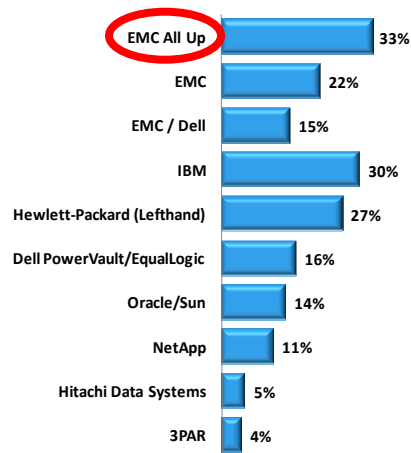
Which would you consider to be the primary vendor* responsible for providing the storage infrastructure used to support your organization's virtual server environment? (Percent of respondents, N=190)



Primary storage infrastructure vendor* for virtual server environments among organizations that consider VMware to be their primary server virtualization vendor. (Percent of respondents, N=102)



Storage Vendors Used for Virtualization



by Region

	US	Europe
	39%	28%
	27%	16%
	16%	14%
	28%	33%
	23%	30%
	18%	14%
	17%	11%
	12%	10%
	7%	3%
	5%	3%
	632	609

by Company Size

	ENT	COMM
	34%	32%
	22%	20%
	15%	15%
	34%	24%
	27%	25%
	15%	18%
	18%	9%
	14%	8%
	6%	4%
	5%	4%
	743	498

Source: Management Insight Technologies: 2010 EMC Storage for Virtual Environments Core Metrics Study

ESG JULY 2010 SERVER VIRTUALIZATION SURVEY DISCLAIMER:

* The data presented in this chart represents the current vendor usage patterns of respondents to ESG's survey at the point-in-time that said survey was fielded. ESG does not represent this data as a formal vendor market share analysis, nor should viewers of this data construe it as such.

COMMENTS:

** "Primary vendor" was defined for survey respondents as the storage vendor supporting the greatest percentage of virtual server capacity.

* Totals may not add up to 100% due to rounding.

EMC Consolidated Results

	Q3'10	Growth Q/Q	Growth Y/Y
Revenue	\$4.2B	5%	20%
Non-GAAP Gross Margin	60.5%	40 bps	320 bps
Non-GAAP Operating Margin	21.5%	80 bps	430 bps
Non-GAAP Net Income	\$649M	9%	35%
Non-GAAP EPS	\$0.30	7%	30%
YTD Free Cash Flow	\$2.2B	N/A	22%

Other Financial Commentary

Cash and Investments

	US	Int'l	Total
EMC ex-VMW	\$4.7B	\$3.0B	\$7.6B
VMW	\$1.6B	\$1.3B	\$2.9B
EMC Consolidated	\$6.3B	\$4.2B	\$10.5B

Note: Numbers may not foot due to rounding.

Other

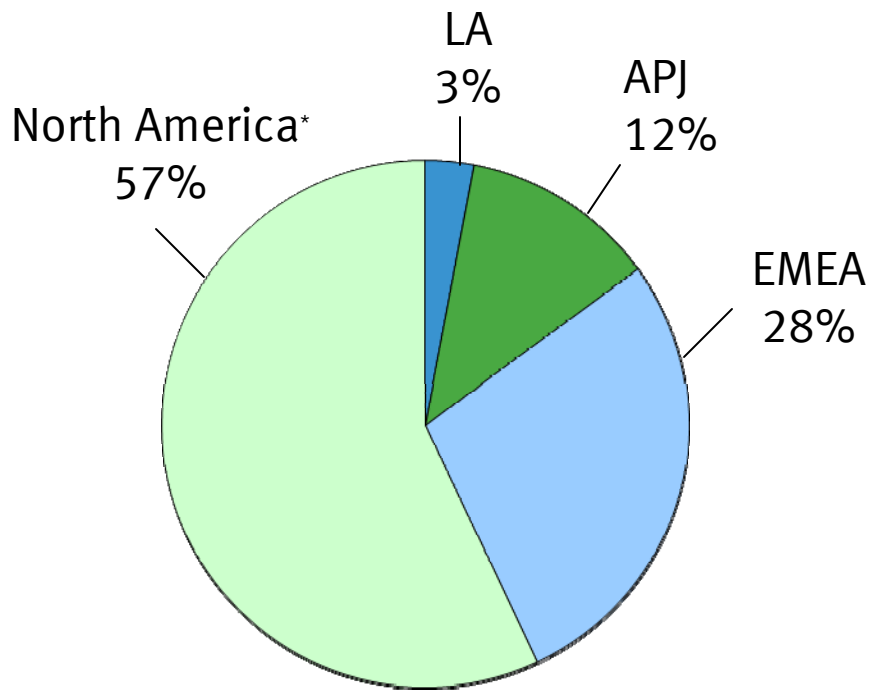
Non-GAAP tax rate	24%
Deferred Revenues	\$4.3B
Inventory turns	8.2x
DSO	46

Use of Cash

- 14.9M EMC shares purchased \$283M
- 1.2M VMW shares purchased by EMC \$92M
- 1.8M VMW shares purchased by VMware \$141M
- Acquisitions \$503M

EMC Geography Results

% Revenue Contribution



	Y/Y Growth
North America	21%
EMEA	14%
APJ	28%
LA	23%

BRIC + 13 markets grew ~30%

* U.S. revenues =54%.

EMC Information Storage

	Q310	Y/Y Growth
Revenue	\$3.1B	16%

High-end

- Symmetrix product revenues up 23% Y/Y
- Customers embracing capabilities of high-end solutions
 - VMAX – highly scalable performance and capacity
 - High-value functionality such as virtual provisioning and FAST
 - Ideally suited as foundation for virtual infrastructures and cloud environments

Mid-tier ⁽¹⁾

- Mid-tier product revenues up 22% Y/Y
- Next-generation software functionality is being embraced by customers
- Percentage of systems shipped with SSDs continues to increase – FAST technology helping to drive the increase

(1) Mid-tier platform products include hardware and software products from EMC CLARiion, EMC Celerra, EMC Centera, EMC Data Domain, EMC Avamar and EMC Atmos.

EMC Security and IIG

	Q310	Y/Y Growth
Revenue	\$186M	22%

RSA Security

- GRC and S-I-E-M products thriving – enables customer to manage their multitude of discrete security products
- Security and compliance capabilities – Key differentiator in journey to the cloud

	Q310	Y/Y Growth
Revenue	\$176M	~flat

Information Intelligence Group

- xCP composition platform continues to perform well

VMware

	Q310	Y/Y Growth
Revenue *	\$711M	46%

VMware

- Growth driven by rollout of virtual infrastructures and buildout of private and public clouds
- VMware Impact on Industry – Over 17,000 people attended VMworld
- Announced vCloud director, VMware View 4.5, vShield and vFabric

VMware/EMC Integration

- Over 60 different points of integration including support of all VMware APIs
- “vCloud in a Box” – UIM v2 deployed with vCloud Director and vBlocks
- Storage Efficiency of \$38 per client – EMC storage infrastructure with secure authentication combined with View 4.5

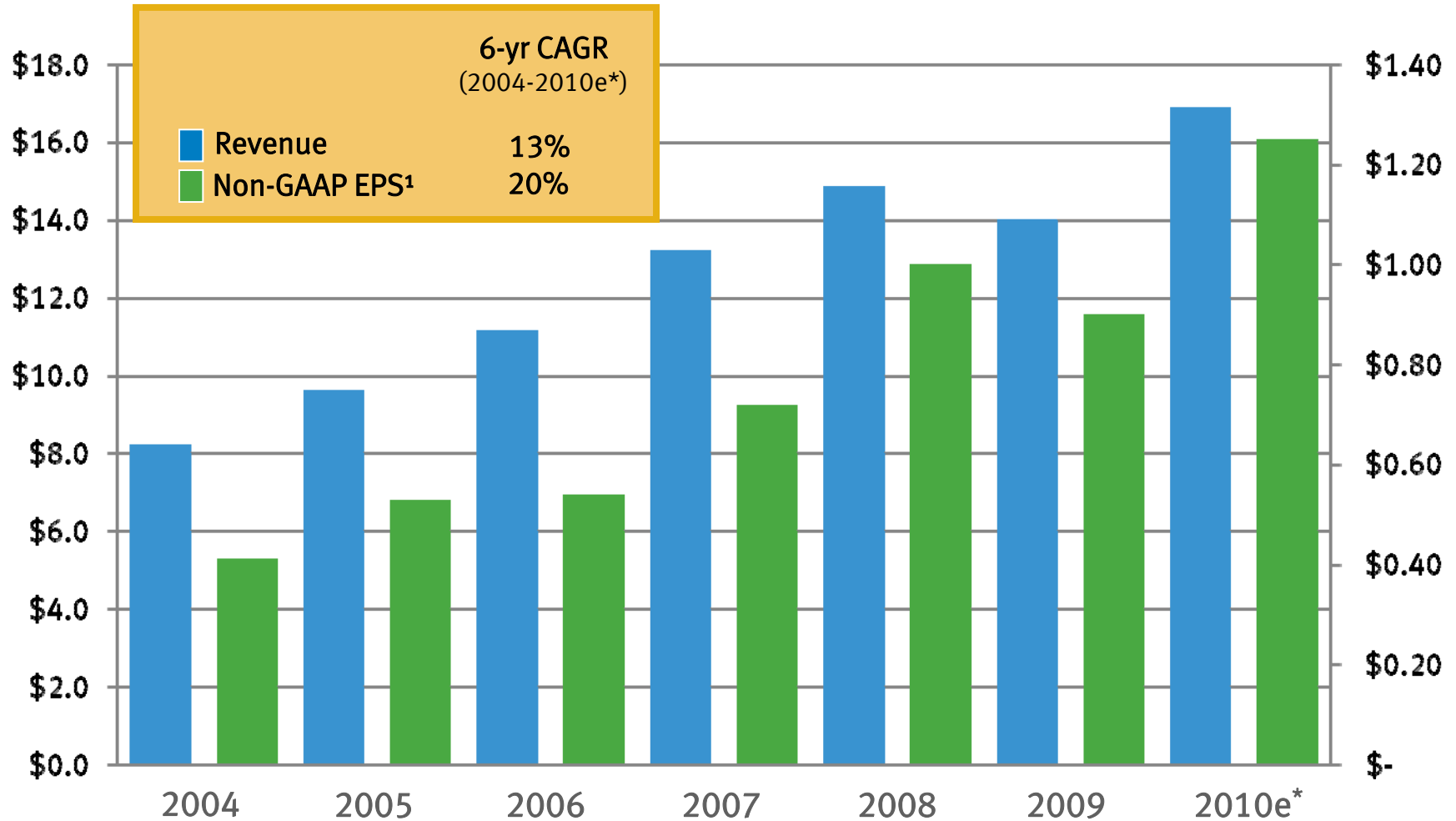
EMC 2010 Business Outlook

	2010	Y/Y Growth
Revenue	\$16.9B	20%
Non-GAAP Operating Margins	21%-22%	360-460 bps
Non-GAAP EPS	\$1.25	39%

- Full Year Non-GAAP 2010 Tax Rate ~22%
- Weighted Average Diluted Share Count ~2.14B

Note: All dollar amounts and percentages presented on this slide should be considered to be approximations.

EMC's Long-term Results

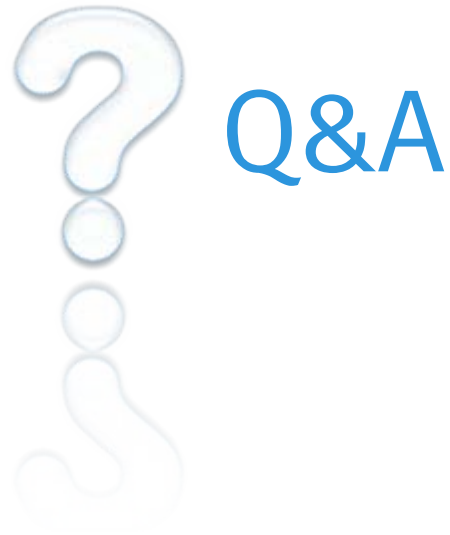


¹ Refer to the schedules available at <http://www.emc.com/about/investor-relations/archived-events.htm> for a complete reconciliation of GAAP to non-GAAP results

* 2010 estimates assumes FY'10 Revenue of \$16.9B and FY'10 Non-GAAP EPS of \$1.25.

CEO Commentary

Joe Tucci
Chairman & CEO



Appendix

Use of Non-GAAP Financial Measures

This release, the accompanying schedules and the additional content that is available on EMC's website contain 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 release.

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 restructuring and acquisition-related charges, stock-based compensation expense, intangible asset amortization and amounts relating to gains on Data Domain and SpringSource common stock) 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 release 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 Outlook

For 2010, EMC expects consolidated revenues of \$16.9 billion, \$0.91 in consolidated GAAP diluted earnings per share, and \$1.25 in consolidated non-GAAP diluted earnings per share, which excludes the impact of restructuring and acquisition-related charges, stock-based compensation expense, and intangible asset amortization.

For 2010, consolidated restructuring and acquisition-related charges, stock-based compensation expense, and intangible asset amortization are expected to be \$0.02, \$0.23 and \$0.09 per diluted share, respectively.

GAAP operating income is expected to be 15% to 16% of revenues for 2010, and non-GAAP operating income is expected to be 21% to 22% of revenues for 2010. Excluded from non-GAAP operating income are restructuring and acquisition-related charges, stock-based compensation expense, and intangible asset amortization, which account for less than 1%, 4% and less than 2% of revenues, respectively.

The consolidated GAAP income tax rate is expected to be 20% for 2010. Excluding the impact of restructuring and acquisition-related charges, stock-based compensation expense, and intangible asset amortization, which collectively impact the tax rate by 2%, the consolidated non-GAAP income tax rate is expected to be 22% for 2010. The expected annual GAAP and non-GAAP income tax rates assume that the U.S. research and development tax credit will be re-enacted in 2010 which is expected to favorably impact both the GAAP and non-GAAP income tax expense by \$45 million to \$50 million. The R&D credit is expected to favorably impact the GAAP tax rate by 2% and the non-GAAP tax rate by 1%.

The statements presented on this slide are based on current expectations. These statements are forward-looking, and actual results may differ materially. These statements do not give effect to the potential impact of mergers, acquisitions, divestitures or business combinations that may be announced or closed after the date hereof. These statements supersede all prior statements regarding 2010 financial results set forth in prior EMC news releases. All dollar amounts and percentages should be considered to be approximations.

EMC Corporation
Constant Currency Revenue Analysis
Q3'10 vs Q3'09
Unaudited

	<u>Europe, Middle East and Africa</u>	<u>Asia Pacific and Japan</u>
Revenue Growth - GAAP	14%	28%
Impact of Constant Currency	<u>5%</u>	<u>-6%</u>
Revenue Growth on a Constant Currency Basis	<u><u>19%</u></u>	<u><u>22%</u></u>

This presentation refers to growth rates at constant currency or adjusting for currency so that business results can be viewed without the impact of fluctuations in foreign currency exchange rates, thereby facilitating period-to-period comparisons of EMC's business performance. To present this information, current period results for entities reporting in currencies other than US dollars are converted into US dollars at the exchange rate applied in each month of the prior year quarter. Constant currency includes the impacts from EMC's hedging program.

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

	Three Months Ended		Nine Months Ended	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
Revenues:				
Product sales	\$ 2,675,925	\$ 2,200,581	\$ 7,707,958	\$ 6,174,971
Services	1,536,346	1,317,049	4,418,502	3,750,773
	4,212,271	3,517,630	12,126,460	9,925,744
Cost and expenses:				
Cost of product sales	1,194,297	1,107,400	3,513,961	3,177,935
Cost of services	531,000	470,013	1,547,807	1,380,559
Research and development	483,264	422,092	1,395,922	1,203,266
Selling, general and administrative	1,343,325	1,177,775	3,888,260	3,253,752
Restructuring and acquisition-related charges	12,561	34,781	40,902	83,587
	647,824	305,569	1,739,608	826,645
Operating income				
Non-operating (expense) income:				
Investment income	40,563	38,106	104,198	109,293
Interest expense	(44,827)	(46,227)	(132,539)	(135,928)
Other (expense) income, net	(5,823)	28,022	(12,714)	17,281
Total non-operating (expense) income	(10,087)	19,901	(41,055)	(9,354)
Income before provision for income taxes	637,737	325,470	1,698,553	817,291
Income tax provision	148,663	20,602	381,292	96,462
	489,074	304,868	1,317,261	720,829
Net income				
Less: Net income attributable to the non-controlling interest in VMware, Inc.	(16,558)	(6,688)	(45,825)	(23,348)
	472,516	298,180	1,271,436	697,481
Net income attributable to EMC Corporation				
Net income per weighted average share, basic attributable to EMC Corporation common shareholders	\$ 0.23	\$ 0.15	\$ 0.62	\$ 0.35
Net income per weighted average share, diluted attributable to EMC Corporation common shareholders	\$ 0.22	\$ 0.14	\$ 0.59	\$ 0.34
Weighted average shares, basic	2,055,876	2,027,347	2,053,026	2,015,920
Weighted average shares, diluted	2,146,753	2,065,951	2,132,948	2,038,984

Reconciliation of GAAP to Non-GAAP
For the Three Months Ended September 30, 2010
(in thousands, except per share amounts)
Unaudited

	Revenue	Cost of Revenue	Research and Development	Selling, General and Administrative	Restructuring and Acquisition-Related Charges	Operating Income	Other (Expense) 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	\$ 4,212,271	\$ 1,725,297	\$ 483,264	\$ 1,343,325	\$ 12,561	\$ 647,824	\$ (10,087)	\$ 637,737	\$ 148,663	\$ 489,074	\$ (16,558)	\$ 472,516	\$ 0.230	\$ 0.219
Restructuring and acquisition-related charges	-	-	-	-	(12,561)	12,561	-	12,561	2,222	10,339	(202)	10,137	\$ 0.005	\$ 0.005
EMC Consolidated Adjusted (1)	4,212,271	1,725,297	483,264	1,343,325	-	660,385	(10,087)	650,298	150,885	499,413	(16,760)	482,653	\$ 0.235	\$ 0.224
Stock-based compensation expense	-	(27,871)	(66,387)	(77,513)	-	171,771	406	172,177	41,525	130,652	(12,913)	117,739	\$ 0.057	\$ 0.055
Intangible asset amortization	-	(32,342)	(6,456)	(34,631)	-	73,429	-	73,429	22,606	50,823	(1,802)	49,021	\$ 0.024	\$ 0.023
EMC Consolidated Non-GAAP (2)	\$ 4,212,271	\$ 1,665,084	\$ 410,421	\$ 1,231,181	\$ -	\$ 905,585	\$ (9,681)	\$ 895,904	\$ 215,016	\$ 680,888	\$ (31,475)	\$ 649,413	\$ 0.316	\$ 0.301
EMC Information Infrastructure GAAP	\$ 3,500,812	\$ 1,598,897	\$ 309,800	\$ 1,027,760	\$ 11,527	\$ 552,828	\$ (12,100)	\$ 540,728	\$ 136,450	\$ 404,278	\$ -	\$ 404,278	\$ 0.197	\$ 0.188
Restructuring and acquisition-related charges	-	-	-	-	(11,527)	11,527	-	11,527	2,222	9,305	-	9,305	\$ 0.005	\$ 0.004
EMC Information Infrastructure Adjusted (3)	3,500,812	1,598,897	309,800	1,027,760	-	564,355	(12,100)	552,255	138,672	413,583	-	413,583	\$ 0.201	\$ 0.193
Stock-based compensation expense	-	(18,285)	(23,474)	(51,763)	-	93,522	406	93,928	29,259	64,669	-	64,669	\$ 0.031	\$ 0.030
Intangible asset amortization	-	(24,182)	(5,829)	(33,498)	-	63,509	-	63,509	21,893	41,616	-	41,616	\$ 0.020	\$ 0.019
EMC Information Infrastructure Non-GAAP (4)	\$ 3,500,812	\$ 1,556,430	\$ 280,497	\$ 942,499	\$ -	\$ 721,386	\$ (11,694)	\$ 709,692	\$ 189,824	\$ 519,868	\$ -	\$ 519,868	\$ 0.253	\$ 0.242
VMware standalone GAAP	\$ 714,245	\$ 126,562	\$ 175,429	\$ 318,242	\$ -	\$ 94,012	\$ 2,733	\$ 96,745	\$ 12,145	\$ 84,600	\$ -	\$ 84,600	\$ 0.041	\$ 0.039
GAAP adjustments and eliminations	(2,786)	(162)	(1,965)	(2,677)	1,034	984	(720)	264	68	196	(16,558)	(16,362)	\$ (0.008)	\$ (0.009)
VMware within EMC GAAP (5)	711,459	126,400	173,464	315,565	1,034	94,996	2,013	97,009	12,213	84,796	(16,558)	68,238	\$ 0.033	\$ 0.031
Acquisition-related charges	-	-	-	-	(1,034)	1,034	-	1,034	-	1,034	(202)	832	\$ 0.000	\$ 0.000
VMware within EMC Adjusted (6)	711,459	126,400	173,464	315,565	-	96,030	2,013	98,043	12,213	85,830	(16,760)	69,070	\$ 0.034	\$ 0.031
Stock-based compensation expense	-	(9,586)	(42,913)	(25,750)	-	78,249	-	78,249	12,266	65,983	(12,913)	53,070	\$ 0.026	\$ 0.025
Intangible asset amortization	-	(8,160)	(627)	(1,133)	-	9,920	-	9,920	713	9,207	(1,802)	7,405	\$ 0.004	\$ 0.003
VMware within EMC Non-GAAP (7)	\$ 711,459	\$ 108,654	\$ 129,924	\$ 288,682	\$ -	\$ 184,199	\$ 2,013	\$ 186,212	\$ 25,192	\$ 161,020	\$ (31,475)	\$ 129,545	\$ 0.063	\$ 0.059

Wtd. Average Share O/S 2,055,876 2,146,753

Reconciliation of GAAP to Non-GAAP
For the Three Months Ended September 30, 2010
(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 Acquisition-Related Charges	Operating Income	Other (Expense) 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 (8)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (26,559)	\$ (26,559)	\$ (9,581)	\$ (16,978)	\$ -	\$ (16,978)	\$ (0.008)	\$ (0.008)
Transition costs (9)	-	536	1,093	6,183	-	(7,812)	-	(7,812)	(2,238)	(5,574)	-	(5,574)	(0.003)	(0.003)
	\$ -	\$ 536	\$ 1,093	\$ 6,183	\$ -	\$ (7,812)	\$ (26,559)	\$ (34,371)	\$ (11,819)	\$ (22,552)	\$ -	\$ (22,552)	\$ (0.011)	\$ (0.011)

- (1) Represents EMC Consolidated GAAP excluding restructuring and acquisition-related charges.
(2) Represents EMC Consolidated Adjusted excluding stock-based compensation expense and intangible asset amortization.
(3) Represents EMC Information Infrastructure GAAP excluding restructuring and acquisition-related 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 GAAP excluding acquisition-related charges.
(7) Represents VMware within EMC Adjusted excluding stock-based compensation expense and intangible asset amortization.
(8) Represents the non-cash interest charge associated with our convertible senior notes due 2011 and 2013 totaling \$3,450 million.
(9) 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 September 30, 2009
(in thousands, except per share amounts)
Unaudited

	Revenue	Cost of Revenue	Research and Development	Selling, General and Administrative	Restructuring and Acquisition-Related Charges	Operating Income	Other Income (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	\$ 3,517,630	\$ 1,577,413	\$ 422,092	\$ 1,177,775	\$ 34,781	\$ 305,569	\$ 19,901	\$ 325,470	\$ 20,602	\$ 304,868	\$ (6,688)	\$ 298,180	\$ 0.147	\$ 0.144
Gain on Data Domain and SpringSource common stock	-	-	-	-	-	-	(25,822)	(25,822)	-	(25,822)	1,025	(24,797)	\$ (0.012)	\$ (0.012)
Restructuring and acquisition-related charges	-	(12,485)	-	-	(34,781)	47,266	-	47,266	14,724	32,542	(135)	32,407	\$ 0.016	\$ 0.016
EMC Consolidated Adjusted (1)	3,517,630	1,564,928	422,092	1,177,775	-	352,835	(5,921)	346,914	35,326	311,588	(5,798)	305,790	\$ 0.151	\$ 0.148
Stock-based compensation expense	-	(27,106)	(62,557)	(99,915)	-	189,578	-	189,578	47,078	142,500	(9,181)	133,319	\$ 0.066	\$ 0.065
Intangible asset amortization	-	(34,121)	(3,261)	(25,903)	-	63,285	-	63,285	21,651	41,634	(405)	41,229	\$ 0.020	\$ 0.020
EMC Consolidated Non-GAAP (2)	\$ 3,517,630	\$ 1,503,701	\$ 356,274	\$ 1,051,957	\$ -	\$ 605,698	\$ (5,921)	\$ 599,777	\$ 104,055	\$ 495,722	\$ (15,384)	\$ 480,338	\$ 0.237	\$ 0.232

EMC Information Infrastructure GAAP	\$ 3,028,725	\$ 1,481,485	\$ 289,715	\$ 944,637	\$ 34,008	\$ 278,880	\$ 14,334	\$ 293,214	\$ 26,897	\$ 266,317	\$ -	\$ 266,317	\$ 0.131	\$ 0.129
Gain on Data Domain common stock	-	-	-	-	-	-	(19,963)	(19,963)	-	(19,963)	-	(19,963)	\$ (0.010)	\$ (0.010)
Restructuring and acquisition-related charges	-	(12,485)	-	-	(34,008)	46,493	-	46,493	14,724	31,769	-	31,769	\$ 0.016	\$ 0.015
EMC Information Infrastructure Adjusted (3)	3,028,725	1,469,000	289,715	944,637	-	325,373	(5,629)	319,744	41,621	278,123	-	278,123	\$ 0.137	\$ 0.135
Stock-based compensation expense	-	(17,608)	(28,307)	(76,146)	-	122,061	-	122,061	32,023	90,038	-	90,038	\$ 0.044	\$ 0.044
Intangible asset amortization	-	(31,228)	(3,221)	(25,389)	-	59,838	-	59,838	20,518	39,320	-	39,320	\$ 0.019	\$ 0.019
EMC Information Infrastructure Non-GAAP (4)	\$ 3,028,725	\$ 1,420,164	\$ 258,187	\$ 843,102	\$ -	\$ 507,272	\$ (5,629)	\$ 501,643	\$ 94,162	\$ 407,481	\$ -	\$ 407,481	\$ 0.201	\$ 0.197

VMware standalone GAAP	\$ 489,751	\$ 96,073	\$ 133,509	\$ 236,933	\$ -	\$ 23,236	\$ 8,638	\$ 31,874	\$ (6,345)	\$ 38,219	\$ -	\$ 38,219	\$ 0.019	\$ 0.018
GAAP adjustments and eliminations	(846)	(145)	(1,132)	(3,795)	773	3,453	(3,071)	382	50	332	(6,688)	(6,356)	\$ (0.003)	\$ (0.003)
VMware within EMC GAAP (5)	488,905	95,928	132,377	233,138	773	26,689	5,567	32,256	(6,295)	38,551	(6,688)	31,863	\$ 0.016	\$ 0.015
Gain on SpringSource common stock	-	-	-	-	-	-	(5,859)	(5,859)	-	(5,859)	1,025	(4,834)	\$ (0.002)	\$ (0.002)
Acquisition-related charges	-	-	-	-	(773)	773	-	773	-	773	(135)	638	\$ -	\$ -
VMware within EMC Adjusted (6)	488,905	95,928	132,377	233,138	-	27,462	(292)	27,170	(6,295)	33,465	(5,798)	27,667	\$ 0.014	\$ 0.013
Stock-based compensation expense	-	(9,498)	(34,250)	(23,769)	-	67,517	-	67,517	15,055	52,462	(9,181)	43,281	\$ 0.021	\$ 0.021
Intangible asset amortization	-	(2,893)	(40)	(514)	-	3,447	-	3,447	1,133	2,314	(405)	1,909	\$ 0.001	\$ 0.001
VMware within EMC Non-GAAP (7)	\$ 488,905	\$ 83,537	\$ 98,087	\$ 208,855	\$ -	\$ 98,426	\$ (292)	\$ 98,134	\$ 9,893	\$ 88,241	\$ (15,384)	\$ 72,857	\$ 0.036	\$ 0.035

Wtd. Average Share O/S 2,027,347 2,065,951

Reconciliation of GAAP to Non-GAAP
For the Three Months Ended September 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 Acquisition-Related Charges	Operating Income	Other Income (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 (8)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (27,483)	\$ (27,483)	\$ (9,153)	\$ (18,330)	\$ -	\$ (18,330)	\$ (0.009)	\$ (0.009)
Transition costs (9)	-	789	3,159	12,825	-	(16,773)	-	(16,773)	(4,943)	(11,830)	-	(11,830)	(0.006)	(0.006)
	<u>\$ -</u>	<u>\$ 789</u>	<u>\$ 3,159</u>	<u>\$ 12,825</u>	<u>\$ -</u>	<u>\$ (16,773)</u>	<u>\$ (27,483)</u>	<u>\$ (44,256)</u>	<u>\$ (14,096)</u>	<u>\$ (30,160)</u>	<u>\$ -</u>	<u>\$ (30,160)</u>	<u>\$ (0.015)</u>	<u>\$ (0.015)</u>

- (1) Represents EMC Consolidated GAAP excluding gain on Data Domain and SpringSource common stock and restructuring and acquisition-related charges.
(2) Represents EMC Consolidated Adjusted excluding stock-based compensation expense and intangible asset amortization.
(3) Represents EMC Information Infrastructure GAAP excluding gain on Data Domain common stock and restructuring and acquisition-related 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 GAAP excluding gain on SpringSource common stock and acquisition-related charges.
(7) Represents VMware within EMC adjusted excluding stock-based compensation expense and intangible asset amortization.
(8) Represents the non-cash interest charge associated with our convertible senior notes due 2011 and 2013 totaling \$3,450 million.
(9) Represents incremental costs incurred to transform our current cost structure to a more streamlined cost structure.

Note: schedule may not add due to rounding

EMC CORPORATION
Consolidated Balance Sheets
(in thousands, except per share amounts)
Unaudited

	September 30, 2010 (unaudited)	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,940,592	\$ 6,302,499
Short-term investments	1,712,410	392,839
Accounts and notes receivable, less allowance for doubtful accounts of \$56,763 and \$47,414	2,120,679	2,108,575
Inventories	838,622	886,289
Deferred income taxes	596,568	564,174
Other current assets	387,362	283,926
Total current assets	10,596,233	10,538,302
Long-term investments	3,860,062	2,692,323
Property, plant and equipment, net	2,430,679	2,224,346
Intangible assets, net	1,213,680	1,185,632
Goodwill	9,787,321	9,210,376
Other assets, net	1,038,933	961,024
Total assets	\$ 28,926,908	\$ 26,812,003
 LIABILITIES & SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 827,181	\$ 899,298
Accrued expenses	2,033,790	1,944,210
Income taxes payable	46,055	41,691
Deferred revenue	2,641,559	2,262,968
Total current liabilities	5,548,585	5,148,167
Income taxes payable	253,075	235,976
Deferred revenue	1,628,473	1,373,798
Deferred income taxes	605,400	708,378
Long-term convertible debt	3,185,417	3,100,290
Other liabilities	186,122	184,920
Total liabilities	11,407,072	10,751,529
 Commitments and contingencies		
Shareholders' equity:		
Preferred stock, par value \$0.01; authorized 25,000 shares; none outstanding	-	-
Common stock, par value \$0.01; authorized 6,000,000 shares; issued 2,060,396 and 2,052,441 shares	20,604	20,524
Additional paid-in capital	3,886,415	3,875,791
Retained earnings	13,030,725	11,759,289
Accumulated other comprehensive loss, net	(120,268)	(105,722)
Total EMC Corporation's shareholders' equity	16,817,476	15,549,882
Non-controlling interest in VMware, Inc.	702,360	510,592
Total shareholders' equity	17,519,836	16,060,474
Total liabilities and shareholders' equity	\$ 28,926,908	\$ 26,812,003

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

	Nine Months Ended		Three Months Ended	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
EMC Consolidated				
Cash flow from Operations	\$ 3,036,606	\$ 2,325,728	\$ 962,400	\$ 887,649
Capital Expenditures	(541,866)	(277,589)	(240,674)	(72,077)
Capitalized Software	(272,492)	(222,432)	(86,858)	(70,658)
Free Cash Flow	<u>\$ 2,222,248</u>	<u>\$ 1,825,707</u>	<u>\$ 634,868</u>	<u>\$ 744,914</u>

EMC Corporation
Reconciliation of GAAP to Non-GAAP Tax Rate
(in thousands)
Unaudited

For the three months ended September 30, 2010

	<u>Income Before Tax</u>	<u>Tax Provision</u>	<u>Tax Rate</u>
EMC Consolidated GAAP	\$ 637,737	\$ 148,663	23%
Stock-based compensation expense	172,177	41,525	24%
Intangible asset amortization	73,429	22,606	31%
Restructuring and acquisition-related charges	12,561	2,222	18%
EMC Consolidated Non-GAAP	<u>\$ 895,904</u>	<u>\$ 215,016</u>	24%

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

Supplemental Revenue Data

	Q1 2009	Q2 2009	Q3 2009	Q4 2009	FY 2009	Q1 2010	Q2 2010	Q3 2010	YTD 2010
Storage:									
Product Revenue	\$ 1,572,408	\$ 1,632,309	\$ 1,818,230	\$ 2,175,104	\$ 7,198,051	\$ 2,017,314	\$ 2,076,855	\$ 2,172,875	\$ 6,267,044
Services Revenue	790,932	842,558	880,807	947,061	3,461,358	901,781	922,067	966,414	2,790,262
Total Storage Revenue	\$ 2,363,340	\$ 2,474,867	\$ 2,699,037	\$ 3,122,165	\$ 10,659,409	\$ 2,919,095	\$ 2,998,922	\$ 3,139,289	\$ 9,057,306
Information Intelligence Group:									
Product Revenue	\$ 58,710	\$ 60,792	\$ 58,209	\$ 83,125	\$ 260,836	\$ 63,662	\$ 62,329	\$ 59,078	\$ 185,069
Services Revenue	115,605	119,445	118,979	124,724	478,753	114,502	116,105	116,713	347,320
Total Information Intelligence Group Revenue	\$ 174,315	\$ 180,237	\$ 177,188	\$ 207,849	\$ 739,589	\$ 178,164	\$ 178,434	\$ 175,791	\$ 532,389
Security:									
Product Revenue	\$ 80,671	\$ 84,080	\$ 84,080	\$ 91,441	\$ 340,272	\$ 85,814	\$ 90,876	\$ 102,442	\$ 279,132
Services Revenue	62,035	63,055	68,420	72,168	265,678	75,654	82,460	83,290	241,404
Total Security Revenue	\$ 142,706	\$ 147,135	\$ 152,500	\$ 163,609	\$ 605,950	\$ 161,468	\$ 173,336	\$ 185,732	\$ 520,536
EMC Information Infrastructure:									
Product Revenue	\$ 1,711,789	\$ 1,777,181	\$ 1,960,519	\$ 2,349,670	\$ 7,799,159	\$ 2,166,790	\$ 2,230,060	\$ 2,334,395	\$ 6,731,245
Services Revenue	968,572	1,025,058	1,068,206	1,143,953	4,205,789	1,091,937	1,120,632	1,166,417	3,378,986
Total EMC Information Infrastructure Revenue	\$ 2,680,361	\$ 2,802,239	\$ 3,028,725	\$ 3,493,623	\$ 12,004,948	\$ 3,258,727	\$ 3,350,692	\$ 3,500,812	\$ 10,110,231
VMware:									
Product Revenue	\$ 257,331	\$ 228,089	\$ 240,062	\$ 303,504	\$ 1,028,986	\$ 311,927	\$ 323,256	\$ 341,530	\$ 976,713
Services Revenue	213,070	227,024	248,843	303,039	991,976	320,038	349,549	369,929	1,039,516
Total VMware Revenue	\$ 470,401	\$ 455,113	\$ 488,905	\$ 606,543	\$ 2,020,962	\$ 631,965	\$ 672,805	\$ 711,459	\$ 2,016,229
Consolidated Revenues:									
Product Revenue	\$ 1,969,120	\$ 2,005,270	\$ 2,200,581	\$ 2,653,174	\$ 8,828,145	\$ 2,478,717	\$ 2,553,316	\$ 2,675,925	\$ 7,707,958
Services Revenue	1,181,642	1,252,082	1,317,049	1,446,992	5,197,765	1,411,975	1,470,181	1,536,346	4,418,502
Total Consolidated Revenues	\$ 3,150,762	\$ 3,257,352	\$ 3,517,630	\$ 4,100,166	\$ 14,025,910	\$ 3,890,692	\$ 4,023,497	\$ 4,212,271	\$ 12,126,460

Percentage impact to EMC revenue growth rate due to changes in exchange rates from the prior year	(3.5)%	(3.7)%	(1.3)%	2.5%	(1.4)%	2.4%	0.0%	(0.6)%	0.6%
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EMC Corporation
Reconciliation of Gross Margin GAAP to Non-GAAP
(in thousands)
Unaudited

	<u>Q3 2010</u>	<u>Q3 2009</u>
Gross Margin GAAP	\$ 2,486,974	\$ 1,940,217
Restructuring and acquisition-related charges	-	12,485
Stock-based compensation expense	27,871	27,106
Intangible asset amortization	<u>32,342</u>	<u>34,121</u>
Gross Margin Non-GAAP	<u>\$ 2,547,187</u>	<u>\$ 2,013,929</u>
Revenues	\$ 4,212,271	\$ 3,517,630
% GAAP	59.0%	55.2%
% Non-GAAP	60.5%	57.3%

EMC Corporation
Reconciliation of Operating Margin GAAP to Non-GAAP
(in thousands)
Unaudited

	<u>Q3 2010</u>	<u>Q3 2009</u>
Operating Margin GAAP	\$ 647,824	\$ 305,569
Restructuring and acquisition-related charges	12,561	47,266
Stock-based compensation expense	171,771	189,578
Intangible asset amortization	<u>73,429</u>	<u>63,285</u>
Operating Margin Non-GAAP	<u>\$ 905,585</u>	<u>\$ 605,698</u>
Revenues	\$ 4,212,271	\$ 3,517,630
% GAAP	15.4%	8.7%
% Non-GAAP	21.5%	17.2%

EMC Corporation
Reconciliation of EMC's Compounded Annual Growth Rate
(in thousands)
Unaudited

	<u>Actual</u> <u>2004</u>	<u>Guidance</u> <u>2010</u>	<u>Guidance</u> <u>CAGR</u>
GAAP diluted earnings per share	\$ 0.36	\$ 0.91	17%
Restructuring and acquisition-related charges	0.01	0.02	9%
Stock-based compensation expense	0.02	0.23	55%
Intangible asset amortization	0.03	0.09	21%
Non-GAAP diluted earnings per share	<u>\$ 0.41</u>	<u>\$ 1.25</u>	20%

Schedule may not add due to rounding