

EMC Q4 2010 FINANCIAL RESULTS

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January 25, 2011

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 January 25, 2011 which can be found at www.EMC.com or www.sec.gov.

CFO Commentary

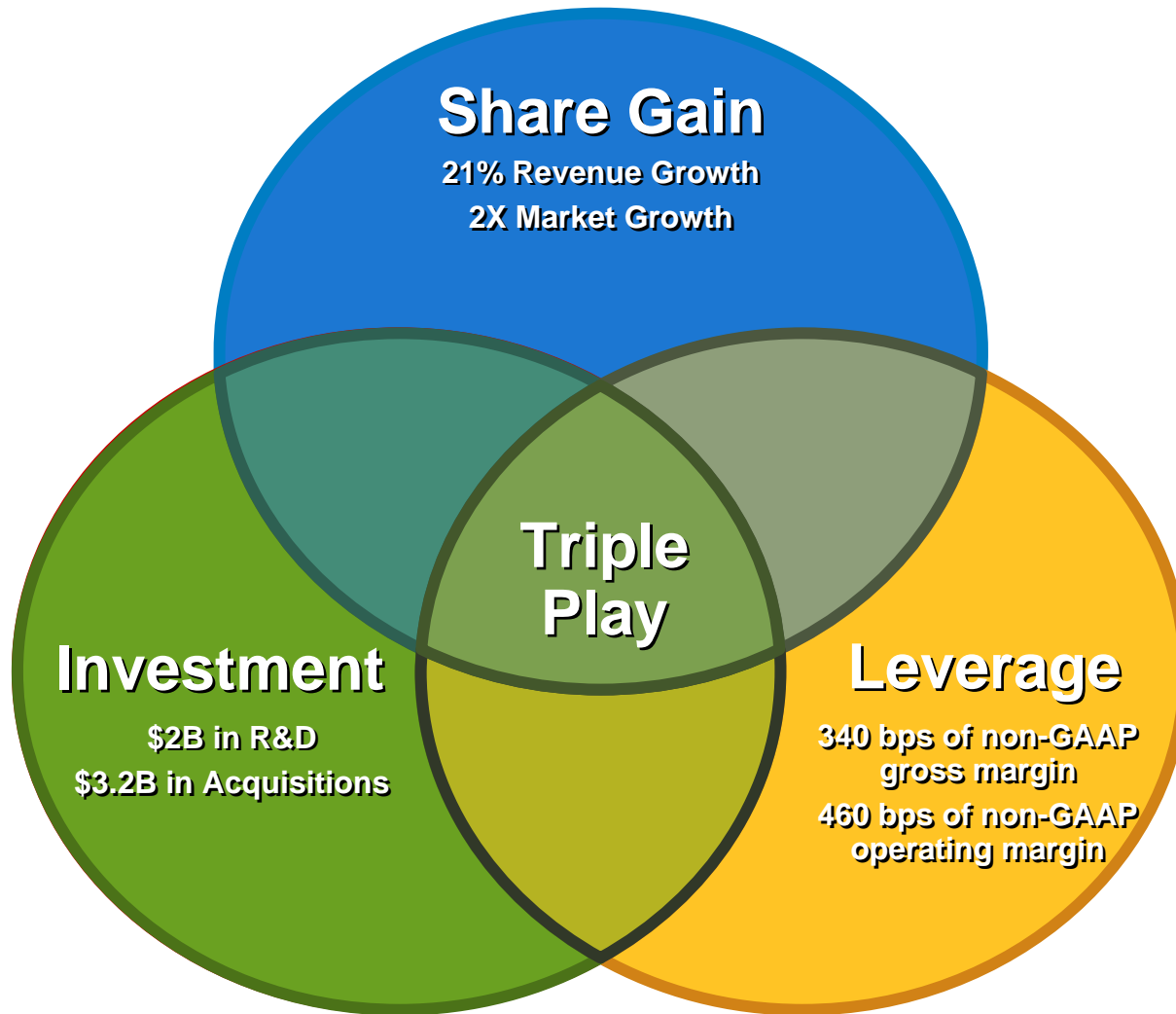
David Goulden
Executive Vice President & CFO

EMC Consolidated Results

Q410 & 2010 Highlights

	Q4'10	Growth Y/Y	2010	Growth Y/Y
Revenue	\$4.9B	19%	\$17.0B	21%
Non-GAAP Operating Margin	25.4%	300 bps	22.0%	460 bps
Non-GAAP EPS	\$0.42	27%	\$1.26	40%
Free Cash Flow	\$1.2B	54%	\$3.4B	31%

Delivering the Triple Play

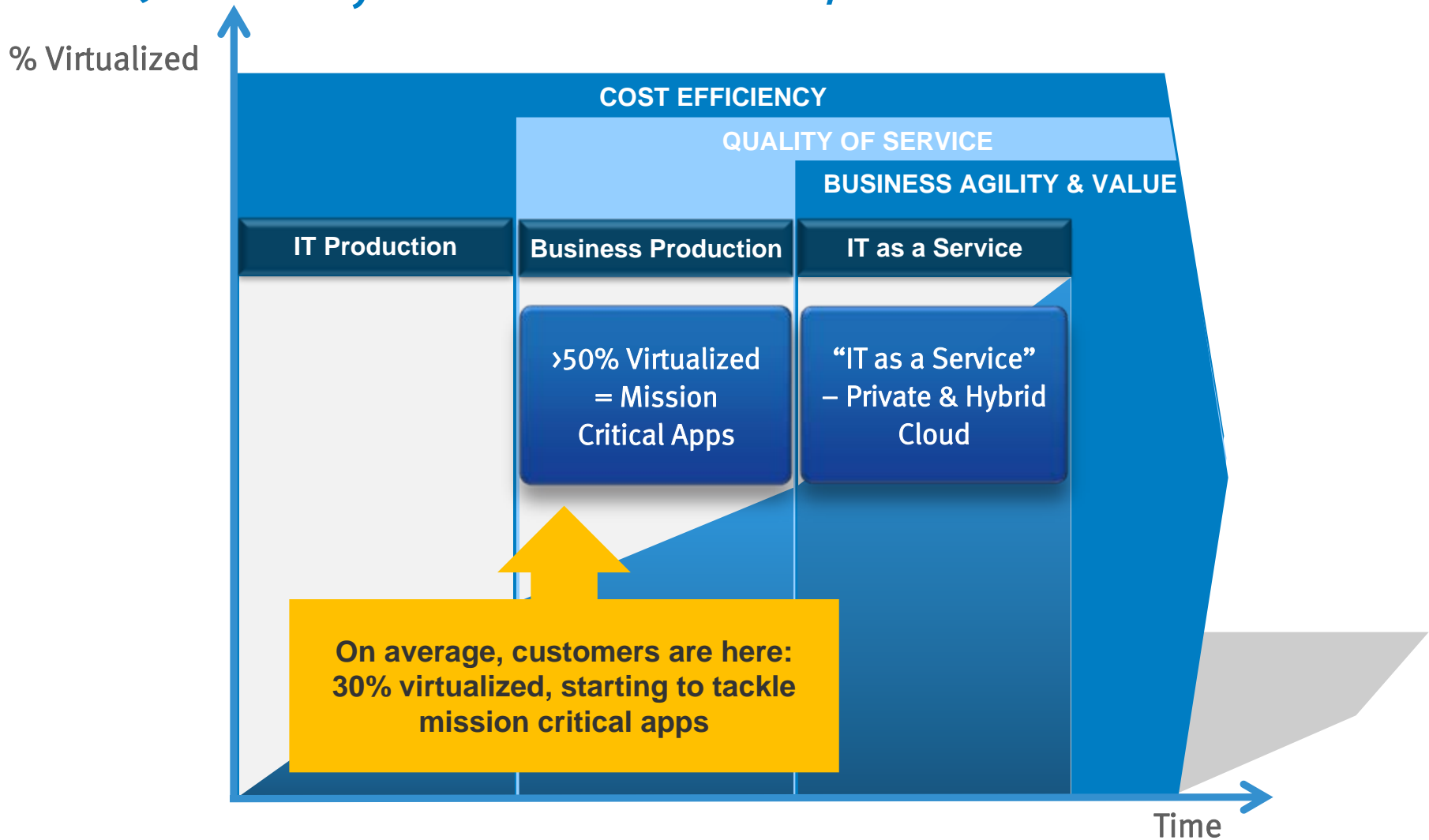


2011 Business Outlook

	2011	Growth Y/Y
Revenue	\$19.6B	15%
Non-GAAP Operating Margin	23%	100 bps
Non-GAAP Net Income	\$3.25B	20%
Non-GAAP EPS	\$1.46	16%

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

The Journey to the Private/Public Cloud





The Intersection Of Cloud Computing Enterprise Data And Big Data

EMC Information Storage

	Q410	Y/Y Growth
Revenue	\$3.6B	17%

Exhibit 20: Which is your storage vendor of choice in virtualized server environments?

	Oct-10	Apr-10	Oct-09	Jun-09	Feb-09
EMC	39%	35%	41%	36%	35%
Hewlett-Packard	28%	18%	19%	14%	13%
NetApp	11%	9%	11%	13%	13%
IBM	9%	19%	10%	11%	13%
Hitachi	7%	2%	3%	0%	3%
Dell / EqualLogic	3%	13%	7%	11%	10%
Compellent	3%	0%	4%	2%	1%
Oracle / Sun	0%	2%	5%	0%	2%
3PAR	0%	0%	0%	1%	0%

Source: Goldman Sachs IT Spending Survey.

EMC Information Storage

	Q410	Y/Y Growth
Revenue	\$3.6B	17%

High-end

- Revenues up 19% Y/Y
- VMAX scale-out architecture purpose built for virtualized environments
- Leader in SSDs and Fully Automated Storage Tiering (FAST)

Mid-tier ⁽¹⁾

- Revenues up 23% Y/Y
- Sequential growth of 20% vs. 5% in Q3
- BRS continues to fire on all cylinders

Other

- Solid quarter for Greenplum; good traction with Data Computing Appliance
- Customers leveraging EMC consulting to help plan cloud infrastructures
- Continued momentum with VCE generating incremental business for EMC

(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, IIG and VMware

	Q410	Y/Y Growth
Revenue	\$209M	28%

	Q410	Y/Y Growth
Revenue	\$204M	-2%

	Q410	Y/Y Growth
Revenue *	\$835M	38%

* Within EMC

RSA Security

- Revenue growth accelerated every quarter in 2010
- Differentiated technology that allows people to trust their data to the cloud

Information Intelligence Group

- Information governance and case management a key customer concern
- Positioning ourselves to take advantage of future explosion in unstructured data

VMware

- Expanding footprint within data center and globally
- Expect virtualization of data center applications will be >50% in two years

EMC Consolidated Results

	Q4'10	Growth Q/Q	Growth Y/Y
Revenue	\$4.9B	16%	19%
Non-GAAP Gross Margin	61.9%	140 bps	230 bps
Non-GAAP Operating Margin	25.4%	390 bps	300 bps
Non-GAAP Net Income	\$920M	42%	32%
Non-GAAP EPS	\$0.42	40%	27%

Other Financial Commentary

Cash and Investments

	US	Int'l	Total
EMC ex-VMW	\$4.7B	\$1.5B	\$6.2B
VMW	\$1.9B	\$1.4B	\$3.3B
EMC Consolidated	\$6.6B	\$2.9B	\$9.5B

Q4

Non-GAAP tax rate	20.7%
Deferred Revenues	\$4.7B
Inventory turns	8.9x
DSO	48

Use of Cash

	<u>Q4</u>	<u>2010</u>
• EMC Purchase of EMC shares	\$200M	\$1.0B
• EMC Purchase of VMW shares	\$110M	\$399M
• VMW Purchase of VMW shares	\$53M	\$339M
• Acquisitions	\$2.3B	\$3.2B

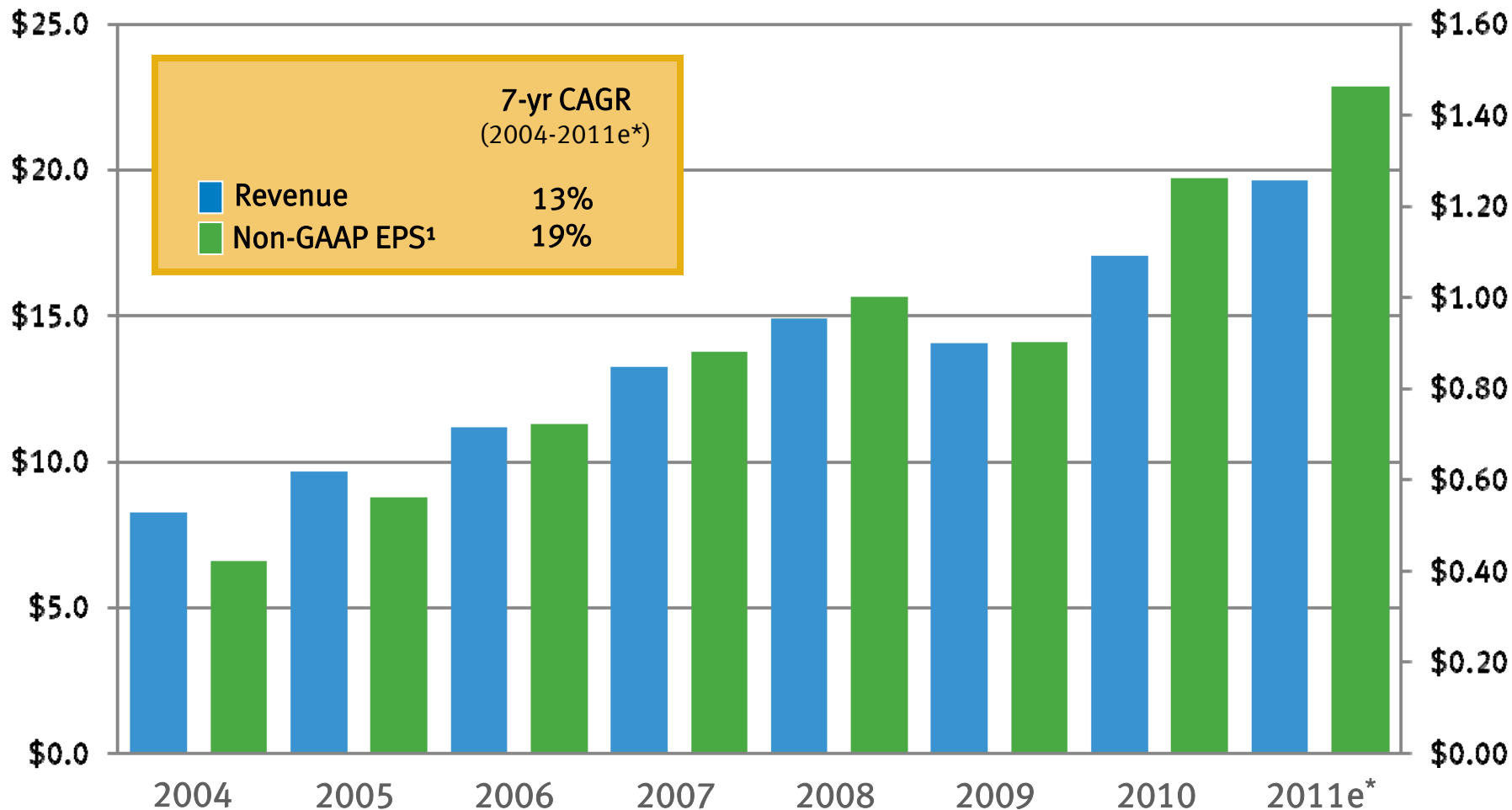
EMC 2011 Business Outlook

	2011	Growth Y/Y
Revenue	\$19.6B	15%
Non-GAAP Operating Margin	23%	100 bps
Non-GAAP Net Income	\$3.25B	20%
Non-GAAP EPS	\$1.46	16%

- Weighted Average Diluted Share Count 2.23B
- Non-operating (expense) income (100M)
- Full Year Non-GAAP 2011 Tax Rate 22%

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

* 2011 estimates assumes FY'11 Revenue of \$19.6B and FY'11 Non-GAAP EPS of \$1.46.

CEO Commentary

Joe Tucci
Chairman & CEO



Appendix

Use of Non-GAAP Financial Measures

Use of Non-GAAP Financial Measures

This presentation, the accompanying schedules, EMC's earnings press release 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 presentation.

Where specified in the accompanying schedules for various periods entitled "Reconciliation of GAAP to Non-GAAP," certain items noted on each such specific schedule (including, where noted, amounts relating to restructuring and acquisition-related charges, stock-based compensation expense, intangible asset amortization, special income tax charges, provisions for litigation 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 presentation also includes disclosures regarding free cash flow which is a non-GAAP financial measure. Free cash flow is defined as net cash provided by operating activities less additions to property, plant and equipment and capitalized software development costs. EMC uses free cash flow, among other measures, to evaluate the ability of its operations to generate cash that is available for purposes other than capital expenditures and capitalized software development costs. Management believes that information regarding free cash flow provides investors with an important perspective on the cash available to make strategic acquisitions and investments, repurchase shares, service debt and fund ongoing operations. As free cash flow is not a measure of liquidity calculated in accordance with GAAP, free cash flow should be considered in addition to, but not as a substitute for, the analysis provided in the statement of cash flows.

All of the foregoing non-GAAP financial measures have limitations. Specifically, the non-GAAP financial measures that exclude the items noted above do not include all items of income and expense that affect EMC's operations. Further, these non-GAAP financial measures are not prepared in accordance with GAAP, may not be comparable to non-GAAP financial measures used by other companies and do not reflect any benefit that such items may confer on EMC. Management compensates for these limitations by also considering EMC's financial results as determined in accordance with GAAP.

Reconciliation of GAAP to Non-GAAP Outlook

Consolidated EMC revenues are expected to be \$19.6 billion for 2011.

Consolidated GAAP operating income is expected to be 16% of revenues for 2011 and consolidated non-GAAP operating income is expected to be 23% of revenues for 2011. Excluded from consolidated non-GAAP operating income are restructuring and acquisition-related charges, stock-based compensation expense and intangible asset amortization, which are expected to account for less than 1%, 5% and 2% of revenues, respectively.

Total consolidated non-operating expense, which includes investment income, interest expense and other expense, is expected to be \$100 million in 2011.

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, for 2011.

The consolidated GAAP income tax rate is expected to be 20% for 2011. Excluding the impact of restructuring and acquisition-related charges, stock-based compensation expense and intangible asset amortization, which are expected to collectively impact the tax rate by 2%, the consolidated non-GAAP income tax rate is expected to be 22% for 2011.

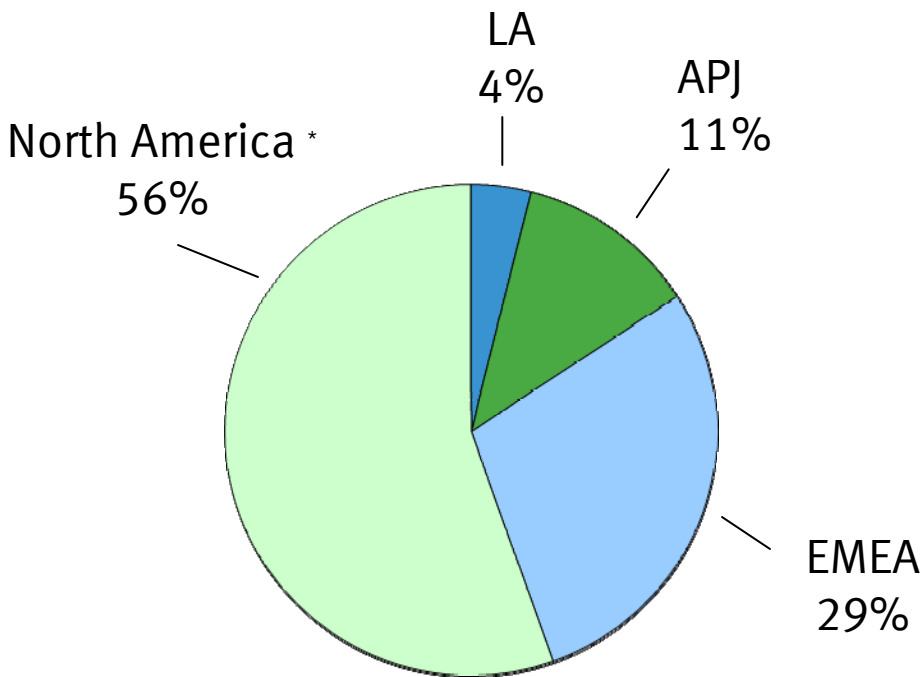
The weighted average outstanding diluted shares are expected to be 2.23 billion for 2011.

EMC expects to repurchase \$1.5 billion of the company's stock in 2011.

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 Geography Results

Q4 % Revenue Contribution



Note: Numbers may not foot due to rounding.

* U.S. revenues = 53%.

	Y/Y Growth
North America	20%
EMEA	13%
APJ	30%
LA	34%

BRIC + 13 markets grew >30%

Accounting Impact from Convertible Debt

Share Price (For Illustrative Purposes Only)	Share Dilution related to Convertible Notes (Exercise Price: \$16.08)	Share Price (For Illustrative Purposes Only)	Share Dilution related to Convertible Notes (Exercise Price: \$16.08)
\$15.50		\$25.50	79,288
\$16.00		\$26.00	81,890
\$16.50	5,492	\$26.50	84,394
\$17.00	11,641	\$27.00	86,805
\$17.50	17,440	\$27.50	89,128
\$18.00	22,916	\$28.00	91,368
\$18.50	28,096	\$28.50	93,530
\$19.00	33,003	\$29.00	95,617
\$19.50	37,659	\$29.50	97,633
\$20.00	42,082	\$30.00	99,582
\$20.50	46,290	\$30.50	101,468
\$21.00	50,297	\$31.00	103,292
\$21.50	54,117	\$31.50	105,059
\$22.00	57,764	\$32.00	106,770
\$22.50	61,249	\$32.50	108,429
\$23.00	64,582	\$33.00	110,037
\$23.50	67,774	\$33.50	111,597
\$24.00	70,832	\$34.00	113,112
\$24.50	73,766	\$34.50	114,582
\$25.00	76,582	\$35.00	116,011

For illustrative purposes only assuming all convertible debt outstanding.

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

	Three Months Ended		Twelve Months Ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Revenues:				
Product sales	\$ 3,184,899	\$ 2,653,174	\$ 10,892,857	\$ 8,828,145
Services	1,703,767	1,446,992	6,122,269	5,197,765
	<u>4,888,666</u>	<u>4,100,166</u>	<u>17,015,126</u>	<u>14,025,910</u>
Cost and expenses:				
Cost of product sales	1,368,070	1,228,252	4,882,031	4,406,187
Cost of services	554,307	494,265	2,102,114	1,874,824
Research and development	492,093	424,243	1,888,015	1,627,509
Selling, general and administrative	1,487,045	1,341,873	5,375,305	4,595,625
Restructuring and acquisition-related charges	43,473	23,903	84,375	107,490
	<u>943,678</u>	<u>587,630</u>	<u>2,683,286</u>	<u>1,414,275</u>
Operating income				
	943,678	587,630	2,683,286	1,414,275
Non-operating (expense) income:				
Investment income	38,338	31,137	142,536	140,430
Interest expense	(45,806)	(46,571)	(178,345)	(182,499)
Other (expense) income, net	(26,780)	(14,911)	(39,494)	2,370
	<u>(34,248)</u>	<u>(30,345)</u>	<u>(75,303)</u>	<u>(39,699)</u>
Total non-operating (expense) income				
	(34,248)	(30,345)	(75,303)	(39,699)
Income before provision for income taxes	909,430	557,285	2,607,983	1,374,576
Income tax provision	257,005	156,313	638,297	252,775
	<u>652,425</u>	<u>400,972</u>	<u>1,969,686</u>	<u>1,121,801</u>
Net income				
Less: Net income attributable to the non-controlling interest in VMware, Inc.	(23,866)	(10,376)	(69,691)	(33,724)
	<u>\$ 628,559</u>	<u>\$ 390,596</u>	<u>\$ 1,899,995</u>	<u>\$ 1,088,077</u>
Net income attributable to EMC Corporation				
	\$ 628,559	\$ 390,596	\$ 1,899,995	\$ 1,088,077
Net income per weighted average share, basic attributable to EMC Corporation common shareholders	<u>\$ 0.30</u>	<u>\$ 0.19</u>	<u>\$ 0.92</u>	<u>\$ 0.54</u>
Net income per weighted average share, diluted attributable to EMC Corporation common shareholders	<u>\$ 0.29</u>	<u>\$ 0.19</u>	<u>\$ 0.88</u>	<u>\$ 0.53</u>
Weighted average shares, basic	2,064,683	2,041,601	2,055,959	2,022,371
Weighted average shares, diluted	2,192,996	2,103,569	2,147,931	2,055,146

Reconciliation of GAAP to Non-GAAP
For the Three Months Ended December 31, 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	\$ 4,888,666	\$ 1,922,377	\$ 492,093	\$ 1,487,045	\$ 43,473	\$ 943,678	\$ (34,248)	\$ 909,430	\$ 257,005	\$ 652,425	\$ (23,866)	\$ 628,559	\$ 0.304	\$ 0.285
Restructuring and acquisition-related charges	-	-	-	-	(43,473)	43,473	-	43,473	6,791	36,682	(30)	36,652	\$ 0.018	\$ 0.017
Special income tax charge	-	-	-	-	-	-	-	-	(83,331)	83,331	-	83,331	\$ 0.040	\$ 0.038
EMC Consolidated Adjusted (1)	4,888,666	1,922,377	492,093	1,487,045	-	987,151	(34,248)	952,903	180,465	772,438	(23,896)	748,542	\$ 0.363	\$ 0.340
Stock-based compensation expense	-	(28,899)	(71,155)	(85,339)	-	185,393	500	185,893	45,230	140,663	(13,751)	126,912	\$ 0.062	\$ 0.058
Intangible asset amortization	-	(33,221)	(6,286)	(30,899)	-	70,406	-	70,406	24,074	46,332	(1,709)	44,623	\$ 0.022	\$ 0.020
EMC Consolidated Non-GAAP (2)	\$ 4,888,666	\$ 1,860,257	\$ 414,652	\$ 1,370,807	\$ -	\$ 1,242,950	\$ (33,748)	\$ 1,209,202	\$ 249,769	\$ 959,433	\$ (39,356)	\$ 920,077	\$ 0.446	\$ 0.418

EMC Information Infrastructure GAAP	\$ 4,054,162	\$ 1,782,431	\$ 318,886	\$ 1,103,128	\$ 43,148	\$ 806,569	\$ (25,920)	\$ 780,649	\$ 250,794	\$ 529,855	\$ -	\$ 529,855	\$ 0.257	\$ 0.242
Restructuring and acquisition-related charges	-	-	-	-	(43,148)	43,148	-	43,148	6,616	36,532	-	36,532	\$ 0.018	\$ 0.017
Special income tax charge	-	-	-	-	-	-	-	-	(83,331)	83,331	-	83,331	\$ 0.040	\$ 0.038
EMC Information Infrastructure Adjusted (3)	4,054,162	1,782,431	318,886	1,103,128	-	849,717	(25,920)	823,797	174,079	649,718	-	649,718	\$ 0.315	\$ 0.296
Stock-based compensation expense	-	(17,383)	(24,236)	(52,341)	-	93,960	500	94,460	22,863	71,597	-	71,597	\$ 0.035	\$ 0.033
Intangible asset amortization	-	(23,375)	(5,659)	(29,197)	-	58,231	-	58,231	20,481	37,750	-	37,750	\$ 0.018	\$ 0.017
EMC Information Infrastructure Non-GAAP (4)	\$ 4,054,162	\$ 1,741,673	\$ 288,991	\$ 1,021,590	\$ -	\$ 1,001,908	\$ (25,420)	\$ 976,488	\$ 217,423	\$ 759,065	\$ -	\$ 759,065	\$ 0.368	\$ 0.346

VMware standalone GAAP	\$ 835,661	\$ 140,351	\$ 177,671	\$ 387,025	\$ -	\$ 130,614	\$ (5,567)	\$ 125,047	\$ 5,167	\$ 119,880	\$ -	\$ 119,880	\$ 0.058	\$ 0.053
GAAP adjustments and eliminations	(1,157)	(405)	(4,464)	(3,108)	325	6,495	(2,761)	3,734	1,044	2,690	(23,866)	(21,176)	\$ (0.010)	\$ (0.011)
VMware within EMC GAAP (5)	834,504	139,946	173,207	383,917	325	137,109	(8,328)	128,781	6,211	122,570	(23,866)	98,704	\$ 0.048	\$ 0.044
Acquisition-related charges	-	-	-	-	(325)	325	-	325	175	150	(30)	120	\$ -	\$ -
VMware within EMC Adjusted (6)	834,504	139,946	173,207	383,917	-	137,434	(8,328)	129,106	6,386	122,720	(23,896)	98,824	\$ 0.048	\$ 0.044
Stock-based compensation expense	-	(11,516)	(46,919)	(32,998)	-	91,433	-	91,433	22,367	69,066	(13,751)	55,315	\$ 0.027	\$ 0.025
Intangible asset amortization	-	(9,846)	(627)	(1,702)	-	12,175	-	12,175	3,593	8,582	(1,709)	6,873	\$ 0.003	\$ 0.003
VMware within EMC Non-GAAP (7)	\$ 834,504	\$ 118,584	\$ 125,661	\$ 349,217	\$ -	\$ 241,042	\$ (8,328)	\$ 232,714	\$ 32,346	\$ 200,368	\$ (39,356)	\$ 161,012	\$ 0.078	\$ 0.072

Wtd. Average Share O/S

2,064,683

2,192,996

Reconciliation of GAAP to Non-GAAP
For the Three Months Ended December 31, 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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (26,922)	\$ (26,922)	\$ (8,727)	\$ (18,195)	\$ -	\$ (18,195)	\$ (0.009)	\$ (0.008)
Transition costs (9)	-	592	1,010	2,487	-	(4,089)	-	(4,089)	(737)	(3,352)	-	(3,352)	(0.002)	(0.002)
	<u>\$ -</u>	<u>\$ 592</u>	<u>\$ 1,010</u>	<u>\$ 2,487</u>	<u>\$ -</u>	<u>\$ (4,089)</u>	<u>\$ (26,922)</u>	<u>\$ (31,011)</u>	<u>\$ (9,464)</u>	<u>\$ (21,547)</u>	<u>\$ -</u>	<u>\$ (21,547)</u>	<u>\$ (0.010)</u>	<u>\$ (0.010)</u>

- (1) Represents EMC Consolidated GAAP excluding restructuring, acquisition-related charges and special income tax charge.
(2) Represents EMC Consolidated Adjusted excluding stock-based compensation expense and intangible asset amortization.
(3) Represents EMC Information Infrastructure GAAP excluding restructuring, acquisition-related charges and special income tax 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 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 Twelve Months Ended December 31, 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	\$ 17,015,126	\$ 6,984,145	\$ 1,888,015	\$ 5,375,305	\$ 84,375	\$ 2,683,286	\$ (75,303)	\$ 2,607,983	\$ 638,297	\$ 1,969,686	\$ (69,691)	\$ 1,899,995	\$ 0.924	\$ 0.880
Restructuring and acquisition-related charges	-	-	-	-	(84,375)	84,375	-	84,375	10,721	73,654	(1,636)	72,018	\$ 0.035	\$ 0.034
Special income tax charge	-	-	-	-	-	-	-	-	(83,331)	83,331	-	83,331	\$ 0.041	\$ 0.039
EMC Consolidated Adjusted (1)	17,015,126	6,984,145	1,888,015	5,375,305	-	2,767,661	(75,303)	2,692,358	565,687	2,126,671	(71,327)	2,055,344	\$ 1.000	\$ 0.953
Stock-based compensation expense	-	(108,653)	(258,746)	(317,654)	-	685,053	1,405	686,458	165,673	520,785	(48,122)	472,663	\$ 0.230	\$ 0.220
Intangible asset amortization	-	(131,760)	(23,556)	(129,966)	-	285,282	-	285,282	92,674	192,608	(5,279)	187,329	\$ 0.091	\$ 0.087
EMC Consolidated Non-GAAP (2)	\$ 17,015,126	\$ 6,743,732	\$ 1,605,713	\$ 4,927,685	\$ -	\$ 3,737,996	\$ (73,898)	\$ 3,664,098	\$ 824,034	\$ 2,840,064	\$ (124,728)	\$ 2,715,336	\$ 1.321	\$ 1.260

EMC Information Infrastructure GAAP	\$ 14,164,393	\$ 6,491,939	\$ 1,244,057	\$ 4,103,464	\$ 80,877	\$ 2,244,056	\$ (58,713)	\$ 2,185,343	\$ 575,156	\$ 1,610,187	\$ -	\$ 1,610,187	\$ 0.783	\$ 0.750
Restructuring and acquisition-related charges	-	-	-	-	(80,877)	80,877	-	80,877	15,736	65,141	-	65,141	\$ 0.032	\$ 0.030
Special income tax charge	-	-	-	-	-	-	-	-	(83,331)	83,331	-	83,331	\$ 0.041	\$ 0.039
EMC Information Infrastructure Adjusted (3)	14,164,393	6,491,939	1,244,057	4,103,464	-	2,324,933	(58,713)	2,266,220	507,561	1,758,659	-	1,758,659	\$ 0.855	\$ 0.819
Stock-based compensation expense	-	(70,160)	(94,941)	(210,530)	-	375,631	1,273	376,904	103,303	273,601	-	273,601	\$ 0.133	\$ 0.127
Intangible asset amortization	-	(103,304)	(21,202)	(126,017)	-	250,523	-	250,523	84,937	165,586	-	165,586	\$ 0.081	\$ 0.077
EMC Information Infrastructure Non-GAAP (4)	\$ 14,164,393	\$ 6,318,475	\$ 1,127,914	\$ 3,766,917	\$ -	\$ 2,951,087	\$ (57,440)	\$ 2,893,647	\$ 695,801	\$ 2,197,846	\$ -	\$ 2,197,846	\$ 1.069	\$ 1.023

VMware standalone GAAP	\$ 2,857,343	\$ 493,715	\$ 652,968	\$ 1,282,667	\$ -	\$ 427,993	\$ (11,618)	\$ 416,375	\$ 58,936	\$ 357,439	\$ -	\$ 357,439	\$ 0.174	\$ 0.162
GAAP adjustments and eliminations	(6,610)	(1,509)	(9,010)	(10,826)	3,498	11,237	(4,972)	6,265	4,205	2,060	(69,691)	(67,631)	\$ (0.033)	\$ (0.036)
VMware within EMC GAAP (5)	2,850,733	492,206	643,958	1,271,841	3,498	439,230	(16,590)	422,640	63,141	359,499	(69,691)	289,808	\$ 0.141	\$ 0.131
Acquisition-related charges	-	-	-	-	(3,498)	3,498	-	3,498	(5,015)	8,513	(1,636)	6,877	\$ 0.003	\$ 0.003
VMware within EMC Adjusted (6)	2,850,733	492,206	643,958	1,271,841	-	442,728	(16,590)	426,138	58,126	368,012	(71,327)	296,685	\$ 0.144	\$ 0.134
Stock-based compensation expense	-	(38,493)	(163,805)	(107,124)	-	309,422	132	309,554	62,370	247,184	(48,122)	199,062	\$ 0.097	\$ 0.093
Intangible asset amortization	-	(28,456)	(2,354)	(3,949)	-	34,759	-	34,759	7,737	27,022	(5,279)	21,743	\$ 0.011	\$ 0.010
VMware within EMC Non-GAAP (7)	\$ 2,850,733	\$ 425,257	\$ 477,799	\$ 1,160,768	\$ -	\$ 786,909	\$ (16,458)	\$ 770,451	\$ 128,233	\$ 642,218	\$ (124,728)	\$ 517,490	\$ 0.252	\$ 0.237

Wtd. Average Share O/S

2,055,959

2,147,931

Reconciliation of GAAP to Non-GAAP
For the Twelve Months Ended December 31, 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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (105,654)	\$ (105,654)	\$ (36,850)	\$ (68,804)	\$ -	\$ (68,804)	\$ (0.034)	\$ (0.032)
Transition costs (9)	-	2,275	5,079	29,836	-	(37,190)	-	(37,190)	(10,085)	(27,105)	-	(27,105)	(0.013)	(0.013)
	<u>\$ -</u>	<u>\$ 2,275</u>	<u>\$ 5,079</u>	<u>\$ 29,836</u>	<u>\$ -</u>	<u>\$ (37,190)</u>	<u>\$ (105,654)</u>	<u>\$ (142,844)</u>	<u>\$ (46,935)</u>	<u>\$ (95,909)</u>	<u>\$ -</u>	<u>\$ (95,909)</u>	<u>\$ (0.047)</u>	<u>\$ (0.045)</u>

- (1) Represents EMC Consolidated GAAP excluding restructuring, acquisition-related charges and special income tax charge.
(2) Represents EMC Consolidated Adjusted excluding stock-based compensation expense and intangible asset amortization.
(3) Represents EMC Information Infrastructure GAAP excluding restructuring, acquisition-related charges and special income tax 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 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 December 31, 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 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	\$ 4,100,166	\$ 1,722,517	\$ 424,243	\$ 1,341,873	\$ 23,903	\$ 587,630	\$ (30,345)	\$ 557,285	\$ 156,313	\$ 400,972	\$ (10,376)	\$ 390,596	\$ 0.191	\$ 0.185
Provision for litigation	-	-	-	(57,500)	-	57,500	-	57,500	5,156	52,344	-	52,344	\$ 0.026	\$ 0.025
Restructuring and acquisition-related charges	-	-	-	-	(23,903)	23,903	-	23,903	9,130	14,773	(152)	14,621	\$ 0.007	\$ 0.007
Special income tax charge	-	-	-	-	-	-	-	-	(60,718)	60,718	-	60,718	\$ 0.030	\$ 0.029
EMC Consolidated Adjusted (1)	4,100,166	1,722,517	424,243	1,284,373	-	669,033	(30,345)	638,688	109,881	528,807	(10,528)	518,279	\$ 0.254	\$ 0.246
Stock-based compensation expense	-	(30,136)	(67,040)	(84,421)	-	181,597	-	181,597	36,849	144,748	(11,554)	133,194	\$ 0.065	\$ 0.063
Intangible asset amortization	-	(36,488)	(3,191)	(26,224)	-	65,903	-	65,903	21,443	44,460	(468)	43,992	\$ 0.022	\$ 0.021
EMC Consolidated Non-GAAP (2)	\$ 4,100,166	\$ 1,655,893	\$ 354,012	\$ 1,173,728	\$ -	\$ 916,533	\$ (30,345)	\$ 886,188	\$ 168,173	\$ 718,015	\$ (22,550)	\$ 695,465	\$ 0.341	\$ 0.330

EMC Information Infrastructure GAAP	\$ 3,493,623	\$ 1,614,231	\$ 290,130	\$ 1,051,889	\$ 23,075	\$ 514,298	\$ (24,067)	\$ 490,231	\$ 145,535	\$ 344,696	\$ -	\$ 344,696	\$ 0.169	\$ 0.164
Provision for litigation	-	-	-	(57,500)	-	57,500	-	57,500	5,156	52,344	-	52,344	\$ 0.026	\$ 0.025
Restructuring and acquisition-related charges	-	-	-	-	(23,075)	23,075	-	23,075	9,130	13,945	-	13,945	\$ 0.007	\$ 0.007
Special income tax charge	-	-	-	-	-	-	-	-	(60,718)	60,718	-	60,718	\$ 0.030	\$ 0.029
EMC Information Infrastructure Adjusted (3)	3,493,623	1,614,231	290,130	994,389	-	594,873	(24,067)	570,806	99,103	471,703	-	471,703	\$ 0.231	\$ 0.224
Stock-based compensation expense	-	(20,633)	(29,880)	(58,024)	-	108,537	-	108,537	26,614	81,923	-	81,923	\$ 0.040	\$ 0.039
Intangible asset amortization	-	(32,960)	(3,124)	(25,710)	-	61,794	-	61,794	19,881	41,913	-	41,913	\$ 0.021	\$ 0.020
EMC Information Infrastructure Non-GAAP (4)	\$ 3,493,623	\$ 1,560,638	\$ 257,126	\$ 910,655	\$ -	\$ 765,204	\$ (24,067)	\$ 741,137	\$ 145,598	\$ 595,539	\$ -	\$ 595,539	\$ 0.292	\$ 0.283

VMware standalone GAAP	\$ 608,201	\$ 107,506	\$ 136,262	\$ 293,276	\$ -	\$ 71,157	\$ (3,920)	\$ 67,237	\$ 10,828	\$ 56,409	\$ -	\$ 56,409	\$ 0.028	\$ 0.027
GAAP adjustments and eliminations	(1,658)	780	(2,149)	(3,292)	828	2,175	(2,358)	(183)	(50)	(133)	(10,376)	(10,509)	\$ (0.005)	\$ (0.006)
VMware within EMC GAAP (5)	606,543	108,286	134,113	289,984	828	73,332	(6,278)	67,054	10,778	56,276	(10,376)	45,900	\$ 0.022	\$ 0.021
Acquisition-related charges	-	-	-	-	(828)	828	-	828	-	828	(152)	676	\$ -	\$ -
VMware within EMC Adjusted (6)	606,543	108,286	134,113	289,984	-	74,160	(6,278)	67,882	10,778	57,104	(10,528)	46,576	\$ 0.023	\$ 0.022
Stock-based compensation expense	-	(9,503)	(37,160)	(26,397)	-	73,060	-	73,060	10,235	62,825	(11,554)	51,271	\$ 0.025	\$ 0.024
Intangible asset amortization	-	(3,528)	(67)	(514)	-	4,109	-	4,109	1,562	2,547	(468)	2,079	\$ 0.001	\$ 0.001
VMware within EMC Non-GAAP (7)	\$ 606,543	\$ 95,255	\$ 96,886	\$ 263,073	\$ -	\$ 151,329	\$ (6,278)	\$ 145,051	\$ 22,575	\$ 122,476	\$ (22,550)	\$ 99,926	\$ 0.049	\$ 0.047

Wtd. Average Share O/S

2,041,601

2,103,569

Reconciliation of GAAP to Non-GAAP
For the Three Months Ended December 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 and Acquisition-Related 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 (8)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (27,785)	\$ (27,785)	\$ (9,253)	\$ (18,532)	\$ -	\$ (18,532)	\$ (0.009)	\$ (0.009)
Transition costs (9)	-	167	3,243	15,921	-	(19,331)	-	(19,331)	(5,053)	(14,278)	-	(14,278)	(0.007)	(0.007)
	<u>\$ -</u>	<u>\$ 167</u>	<u>\$ 3,243</u>	<u>\$ 15,921</u>	<u>\$ -</u>	<u>\$ (19,331)</u>	<u>\$ (27,785)</u>	<u>\$ (47,116)</u>	<u>\$ (14,306)</u>	<u>\$ (32,810)</u>	<u>\$ -</u>	<u>\$ (32,810)</u>	<u>\$ (0.016)</u>	<u>\$ (0.016)</u>

- (1) Represents EMC Consolidated GAAP excluding provision for litigation, restructuring and acquisition-related charges and a special income tax charge.
- (2) Represents EMC Consolidated Adjusted excluding stock-based compensation expense and intangible asset amortization.
- (3) Represents EMC Information Infrastructure GAAP excluding provision for litigation, restructuring and acquisition-related charges and a special income tax 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 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 Twelve Months Ended December 31, 2006
(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	\$ 14,025,910	\$ 6,281,011	\$ 1,627,509	\$ 4,595,625	\$ 107,490	\$ 1,414,275	\$ (39,699)	\$ 1,374,576	\$ 252,775	\$ 1,121,801	\$ (33,724)	\$ 1,088,077	\$ 0.538	\$ 0.528
Provision for litigation	-	-	-	(57,500)	-	57,500	-	57,500	5,156	52,344	-	52,344	\$ 0.026	\$ 0.026
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)	-	-	(107,490)	119,975	-	119,975	35,884	84,091	(287)	83,804	\$ 0.041	\$ 0.041
Special income tax charge	-	-	-	-	-	-	-	-	(60,718)	60,718	-	60,718	\$ 0.030	\$ 0.030
EMC Consolidated Adjusted (1)	14,025,910	6,268,526	1,627,509	4,538,125	-	1,591,750	(65,521)	1,526,229	233,097	1,293,132	(32,985)	1,260,146	\$ 0.623	\$ 0.612
Stock-based compensation expense	-	(99,393)	(214,554)	(291,759)	-	605,706	-	605,706	135,130	470,576	(34,731)	435,845	\$ 0.216	\$ 0.212
Intangible asset amortization	-	(131,754)	(12,883)	(103,151)	-	247,788	-	247,788	83,842	163,946	(1,568)	162,378	\$ 0.080	\$ 0.079
EMC Consolidated Non-GAAP (2)	\$ 14,025,910	\$ 6,037,379	\$ 1,400,072	\$ 4,143,215	\$ -	\$ 2,445,244	\$ (65,521)	\$ 2,379,723	\$ 452,069	\$ 1,927,654	\$ (69,284)	\$ 1,858,369	\$ 0.919	\$ 0.903

EMC Information Infrastructure GAAP	\$ 12,004,948	\$ 5,921,103	\$ 1,136,100	\$ 3,657,916	\$ 105,889	\$ 1,183,940	\$ (36,059)	\$ 1,147,881	\$ 225,799	\$ 922,082	\$ -	\$ 922,082	\$ 0.456	\$ 0.449
Provision for litigation	-	-	-	(57,500)	-	57,500	-	57,500	5,156	52,344	-	52,344	\$ 0.026	\$ 0.026
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)	-	-	(105,889)	118,374	-	118,374	35,884	82,490	-	82,490	\$ 0.041	\$ 0.040
Special income tax charge	-	-	-	-	-	-	-	-	(60,718)	60,718	-	60,718	\$ 0.030	\$ 0.030
EMC Information Infrastructure Adjusted (3)	12,004,948	5,908,618	1,136,100	3,600,416	-	1,359,814	(56,022)	1,303,792	206,121	1,097,671	-	1,097,671	\$ 0.543	\$ 0.534
Stock-based compensation expense	-	(67,698)	(92,766)	(198,239)	-	358,703	-	358,703	89,055	269,648	-	269,648	\$ 0.133	\$ 0.131
Intangible asset amortization	-	(119,819)	(12,776)	(101,059)	-	233,654	-	233,654	78,824	154,830	-	154,830	\$ 0.077	\$ 0.075
EMC Information Infrastructure Non-GAAP (4)	\$ 12,004,948	\$ 5,721,101	\$ 1,030,558	\$ 3,301,118	\$ -	\$ 1,952,171	\$ (56,022)	\$ 1,896,149	\$ 374,000	\$ 1,522,149	\$ -	\$ 1,522,149	\$ 0.753	\$ 0.741

VMware standalone GAAP	\$ 2,023,937	\$ 359,728	\$ 496,552	\$ 948,362	\$ -	\$ 219,295	\$ 4,154	\$ 223,449	\$ 26,351	\$ 197,098	\$ -	\$ 197,098	\$ 0.098	\$ 0.096
GAAP adjustments and eliminations	(2,975)	180	(5,143)	(10,653)	1,601	11,040	(7,794)	3,246	625	2,621	(33,724)	(31,103)	\$ (0.015)	\$ (0.016)
VMware within EMC GAAP (5)	2,020,962	359,908	491,409	937,709	1,601	230,335	(3,640)	226,695	26,976	199,719	(33,724)	165,995	\$ 0.082	\$ 0.080
Gain on SpringSource common stock	-	-	-	-	-	-	(5,859)	(5,859)	-	(5,859)	1,025	(4,834)	\$ (0.002)	\$ (0.002)
Acquisition-related charges	-	-	-	-	(1,601)	1,601	-	1,601	-	1,601	(287)	1,314	\$ 0.001	\$ 0.001
VMware within EMC Adjusted (6)	2,020,962	359,908	491,409	937,709	-	231,936	(9,499)	222,437	26,976	195,461	(32,986)	162,475	\$ 0.080	\$ 0.078
Stock-based compensation expense	-	(31,695)	(121,788)	(93,520)	-	247,003	-	247,003	46,075	200,928	(34,731)	166,197	\$ 0.082	\$ 0.081
Intangible asset amortization	-	(11,935)	(107)	(2,092)	-	14,134	-	14,134	5,018	9,116	(1,568)	7,548	\$ 0.004	\$ 0.004
VMware within EMC Non-GAAP (7)	\$ 2,020,962	\$ 316,278	\$ 369,514	\$ 842,097	\$ -	\$ 493,073	\$ (9,499)	\$ 483,574	\$ 78,069	\$ 405,505	\$ (69,285)	\$ 336,220	\$ 0.166	\$ 0.163

Wtd. Average Share O/S

2,022,371

2,055,146

Reconciliation of GAAP to Non-GAAP
For the Twelve Months Ended December 31, 2006
(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (108,347)	\$ (108,347)	\$ (35,025)	\$ (73,322)	\$ -	\$ (73,322)	\$ (0.036)	\$ (0.036)
Transition costs (9)	-	3,194	8,411	43,063	-	(54,668)	-	(54,668)	(15,683)	(38,985)	-	(38,985)	(0.019)	(0.019)
	\$ -	\$ 3,194	\$ 8,411	\$ 43,063	\$ -	\$ (54,668)	\$ (108,347)	\$ (163,015)	\$ (50,708)	\$ (112,307)	\$ -	\$ (112,307)	\$ (0.056)	\$ (0.055)

- (1) Represents EMC Consolidated GAAP excluding provision for litigation, gain on Data Domain and SpringSource common stock, restructuring and acquisition-related charges and a special income tax charge.
(2) Represents EMC Consolidated Adjusted excluding stock-based compensation expense and intangible asset amortization.
(3) Represents EMC Information Infrastructure GAAP excluding provision for litigation, gain on Data Domain common stock, restructuring and acquisition-related charges and a special income tax 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 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

	December 31, 2010	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,119,138	\$ 6,302,499
Short-term investments	1,256,175	392,839
Accounts and notes receivable, less allowance for doubtful accounts of \$57,385 and \$47,414	2,569,523	2,108,575
Inventories	856,405	886,289
Deferred income taxes	609,832	564,174
Other current assets	372,249	283,926
Total current assets	9,783,322	10,538,302
Long-term investments	4,115,918	2,692,323
Property, plant and equipment, net	2,528,432	2,224,346
Intangible assets, net	1,624,267	1,185,632
Goodwill	11,772,650	9,210,376
Other assets, net	1,008,695	961,024
Total assets	\$ 30,833,284	\$ 26,812,003
 LIABILITIES & SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,062,600	\$ 899,298
Accrued expenses	2,090,035	1,944,210
Income taxes payable	199,735	41,691
Convertible debt	3,214,771	-
Deferred revenue	2,810,873	2,262,968
Total current liabilities	9,378,014	5,148,167
Income taxes payable	265,549	235,976
Deferred revenue	1,853,263	1,373,798
Deferred income taxes	717,004	708,378
Long-term convertible debt	-	3,100,290
Other liabilities	217,449	184,920
Total liabilities	12,431,279	10,751,529
 Convertible debt	 235,229	 -
 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 2,069,246 and 2,052,441 shares	20,692	20,524
Additional paid-in capital	3,816,681	3,875,791
Retained earnings	13,659,284	11,759,289
Accumulated other comprehensive loss, net	(92,617)	(105,722)
Total EMC Corporation's shareholders' equity	17,404,040	15,549,882
Non-controlling interest in VMware, Inc.	762,736	510,592
Total shareholders' equity	18,166,776	16,060,474
Total liabilities and shareholders' equity	\$ 30,833,284	\$ 26,812,003

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

	Twelve Months Ended	
	December 31,	December 31,
	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Cash received from customers	\$ 17,585,447	\$ 14,647,691
Cash paid to suppliers and employees	(12,830,684)	(11,032,859)
Dividends and interest received	102,912	109,525
Interest paid	(76,711)	(73,430)
Income taxes paid	(232,121)	(316,542)
Net cash provided by operating activities	<u>4,548,843</u>	<u>3,334,385</u>
Cash flows from investing activities:		
Additions to property, plant and equipment	(745,412)	(411,579)
Capitalized software development costs	(362,956)	(304,520)
Purchases of short and long-term available-for-sale securities	(6,321,535)	(5,409,540)
Sales of short and long-term available-for-sale securities	3,625,260	5,171,449
Maturities of short and long-term available-for-sale securities	437,297	704,653
Business acquisitions, net of cash acquired	(3,194,611)	(2,664,141)
Proceeds from (investments in) strategic and other related investments	85,908	(182,994)
Other	-	1,184
Net cash used in investing activities	<u>(6,476,049)</u>	<u>(3,095,488)</u>
Cash flows from financing activities:		
Issuance of EMC's common stock from the exercise of stock options	780,732	366,361
Issuance of VMware's common stock from the exercise of stock options	431,306	227,666
EMC repurchase of EMC's common stock	(999,924)	-
EMC purchase of VMware's common stock	(399,224)	-
VMware repurchase of VMware's common stock	(338,527)	-
Payments on securities lending	-	(412,321)
Excess tax benefits from stock-based compensation	281,872	46,082
Payment of long-term and short-term obligations	(4,128)	(20,835)
Proceeds from long-term and short-term obligations	4,066	4,969
Net cash used in (provided by) financing activities	<u>(243,827)</u>	<u>211,922</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(12,328)</u>	<u>7,995</u>
Net (decrease) increase in cash and cash equivalents	(2,183,361)	458,814
Cash and cash equivalents at beginning of period	6,302,499	5,843,685
Cash and cash equivalents at end of period	<u>\$ 4,119,138</u>	<u>\$ 6,302,499</u>
Reconciliation of net income to net cash provided by operating activities:		
Net income	\$ 1,969,686	\$ 1,121,801
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,167,550	1,073,135
Non-cash interest expense on convertible debt	105,649	108,347
Non-cash restructuring and other special charges	6,861	25,050
Stock-based compensation expense	667,728	600,537
Provision for doubtful accounts	18,965	14,351
Deferred income taxes, net	(49,787)	27,198
Excess tax benefits from stock-based compensation	(281,872)	(46,082)
Gain on Data Domain and SpringSource common stock	-	(25,822)
Other	(21,250)	(13,906)
Changes in assets and liabilities, net of acquisitions:		
Accounts and notes receivable	(405,758)	241,069
Inventories	(114,111)	(158,482)
Other assets	(54,469)	3,600
Accounts payable	154,496	140,376
Accrued expenses	4,162	(80,642)
Income taxes payable	455,964	(91,142)
Deferred revenue	957,114	366,361
Other liabilities	(32,085)	28,636
Net cash provided by operating activities	<u>\$ 4,548,843</u>	<u>\$ 3,334,385</u>

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

	Twelve Months Ended		Three Months Ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
EMC Consolidated				
Cash flow from Operations	\$ 4,548,843	\$ 3,334,385	\$ 1,512,237	\$ 1,008,657
Capital Expenditures	(745,412)	(411,579)	(203,546)	(133,990)
Capitalized Software	(362,956)	(304,520)	(90,464)	(82,088)
Free Cash Flow	<u>\$ 3,440,475</u>	<u>\$ 2,618,286</u>	<u>\$ 1,218,227</u>	<u>\$ 792,579</u>

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

For the three months ended December 31, 2010

	<u>Income Before Tax</u>	<u>Tax Provision</u>	<u>Tax Rate</u>
EMC Consolidated GAAP	\$ 909,430	\$ 257,005	28.3%
Stock-based compensation expense	185,893	45,230	24.3%
Intangible asset amortization	70,406	24,074	34.2%
Restructuring and acquisition-related charges	43,473	6,791	15.6%
Special income tax charge	-	(83,331)	-
EMC Consolidated Non-GAAP	<u>\$ 1,209,202</u>	<u>\$ 249,769</u>	20.7%

**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	Q4 2010	FY 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	\$ 2,557,243	\$ 8,824,287
Services Revenue	790,932	842,558	880,807	947,061	3,461,358	901,781	922,067	966,414	1,084,564	3,874,826
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	\$ 3,641,807	\$ 12,699,113
Information Intelligence Group:										
Product Revenue	\$ 58,710	\$ 60,792	\$ 58,209	\$ 83,125	\$ 260,836	\$ 63,662	\$ 62,329	\$ 59,078	\$ 84,069	\$ 269,138
Services Revenue	115,605	119,445	118,979	124,724	478,753	114,502	116,105	116,713	119,439	466,759
Total Information Intelligence Group Revenue	\$ 174,315	\$ 180,237	\$ 177,188	\$ 207,849	\$ 739,589	\$ 178,164	\$ 178,434	\$ 175,791	\$ 203,508	\$ 735,897
Security:										
Product Revenue	\$ 80,671	\$ 84,080	\$ 84,080	\$ 91,441	\$ 340,272	\$ 85,814	\$ 90,876	\$ 102,442	\$ 121,019	\$ 400,151
Services Revenue	62,035	63,055	68,420	72,168	265,678	75,654	82,460	83,290	87,828	329,232
Total Security Revenue	\$ 142,706	\$ 147,135	\$ 152,500	\$ 163,609	\$ 605,950	\$ 161,468	\$ 173,336	\$ 185,732	\$ 208,847	\$ 729,383
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	\$ 2,762,331	\$ 9,493,576
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	1,291,831	4,670,817
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	\$ 4,054,162	\$ 14,164,393
VMware:										
Product Revenue	\$ 257,331	\$ 228,089	\$ 240,062	\$ 303,504	\$ 1,028,986	\$ 311,927	\$ 323,256	\$ 341,530	\$ 422,568	\$ 1,399,281
Services Revenue	213,070	227,024	248,843	303,039	991,976	320,038	349,549	369,929	411,936	1,451,452
Total VMware Revenue	\$ 470,401	\$ 455,113	\$ 488,905	\$ 606,543	\$ 2,020,962	\$ 631,965	\$ 672,805	\$ 711,459	\$ 834,504	\$ 2,850,733
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	\$ 3,184,899	\$ 10,892,857
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	1,703,767	6,122,269
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	\$ 4,888,666	\$ 17,015,126

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)% 0.2%

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

	<u>Q4 2010</u>	<u>Q4 2009</u>	<u>FY 2010</u>	<u>FY 2009</u>
Gross Margin GAAP	\$ 2,966,289	\$ 2,377,649	\$ 10,030,981	\$ 7,744,899
Stock-based compensation expense	28,899	30,136	108,653	99,393
Intangible asset amortization	33,221	36,488	131,760	131,754
Restructuring and acquisition-related charges	-	-	-	12,485
Gross Margin Non-GAAP	<u>\$ 3,028,409</u>	<u>\$ 2,444,273</u>	<u>\$ 10,271,394</u>	<u>\$ 7,998,531</u>
Revenues	\$ 4,888,666	\$ 4,100,166	\$ 17,015,126	\$ 14,025,910
% GAAP	60.7%	58.0%	59.0%	55.2%
% Non-GAAP	61.9%	59.6%	60.4%	57.0%

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

	<u>Q4 2010</u>	<u>Q4 2009</u>	<u>FY 2010</u>	<u>FY 2009</u>
Operating Income GAAP	\$ 943,678	\$ 587,630	\$ 2,683,286	\$ 1,414,275
Restructuring and acquisition-related charges	43,473	23,903	84,375	119,975
Provision for litigation	-	57,500	-	57,500
Stock-based compensation expense	185,393	181,597	685,053	605,706
Intangible asset amortization	70,406	65,903	285,282	247,788
Operating Income Non-GAAP	<u>\$ 1,242,950</u>	<u>\$ 916,533</u>	<u>\$ 3,737,996</u>	<u>\$ 2,445,244</u>
Revenues	\$ 4,888,666	\$ 4,100,166	\$ 17,015,126	\$ 14,025,910
Operating Margin GAAP	19.3%	14.3%	15.8%	10.1%
Operating Margin Non-GAAP	25.4%	22.4%	22.0%	17.4%

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

	<u>Actual</u> <u>2004</u>	<u>Guidance</u> <u>2011</u>	<u>Guidance</u> <u>CAGR</u>
GAAP diluted earnings per share	\$ 0.36	\$ 1.07	17%
Restructuring and acquisition-related charges	0.01	0.03	15%
Stock-based compensation expense	0.02	0.27	49%
Intangible asset amortization	0.03	0.09	18%
Non-GAAP diluted earnings per share	<u>\$ 0.41</u>	<u>\$ 1.46</u>	19%

Schedule may not add due to rounding