

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

	Three Months Ended		Six Months Ended	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Revenues:				
Product sales	\$ 2,553,316	\$ 2,005,270	\$ 5,032,033	\$ 3,974,390
Services	1,470,181	1,252,082	2,882,156	2,433,724
	<u>4,023,497</u>	<u>3,257,352</u>	<u>7,914,189</u>	<u>6,408,114</u>
Cost and expenses:				
Cost of product sales	1,157,742	1,057,205	2,319,664	2,070,535
Cost of services	506,556	456,369	1,016,807	910,546
Research and development	477,725	397,881	912,658	781,174
Selling, general and administrative	1,283,651	1,051,204	2,544,935	2,075,977
Restructuring and acquisition-related charges	9,839	33,234	28,341	48,806
	<u>587,984</u>	<u>261,459</u>	<u>1,091,784</u>	<u>521,076</u>
Operating income				
	587,984	261,459	1,091,784	521,076
Non-operating income (expense):				
Investment income	32,103	31,343	63,635	71,187
Interest expense	(44,744)	(44,158)	(87,712)	(89,701)
Other income (expense), net	2,130	17	(6,891)	(10,741)
Total non-operating expense	<u>(10,511)</u>	<u>(12,798)</u>	<u>(30,968)</u>	<u>(29,255)</u>
Income before provision for income taxes	577,473	248,661	1,060,816	491,821
Income tax provision	<u>136,976</u>	<u>38,045</u>	<u>232,629</u>	<u>75,860</u>
Net income	440,497	210,616	828,187	415,961
Less: Net income attributable to the non-controlling interest in VMware, Inc.	<u>(14,281)</u>	<u>(5,384)</u>	<u>(29,267)</u>	<u>(16,660)</u>
Net income attributable to EMC Corporation	<u>\$ 426,216</u>	<u>\$ 205,232</u>	<u>\$ 798,920</u>	<u>\$ 399,301</u>
Net income per weighted average share, basic attributable to EMC Corporation common shareholders	<u>\$ 0.21</u>	<u>\$ 0.10</u>	<u>\$ 0.39</u>	<u>\$ 0.20</u>
Net income per weighted average share, diluted attributable to EMC Corporation common shareholders	<u>\$ 0.20</u>	<u>\$ 0.10</u>	<u>\$ 0.37</u>	<u>\$ 0.20</u>
Weighted average shares, basic	2,052,161	2,011,508	2,051,599	2,010,147
Weighted average shares, diluted	2,132,997	2,030,048	2,126,062	2,025,433

Reconciliation of GAAP to Non-GAAP
For the Three Months Ended June 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	\$ 4,023,497	\$ 1,664,298	\$ 477,725	\$ 1,283,651	\$ 9,839	\$ 587,984	\$ (10,511)	\$ 577,473	\$ 136,976	\$ 440,497	\$ (14,281)	\$ 426,216	\$ 0.208	\$ 0.199
Restructuring and acquisition-related charges	-	-	-	-	(9,839)	9,839	-	9,839	(1,700)	11,539	(1,167)	10,372	\$ 0.005	\$ 0.005
EMC Consolidated Adjusted (1)	4,023,497	1,664,298	477,725	1,283,651	-	597,823	(10,511)	587,312	135,276	452,036	(15,448)	436,588	\$ 0.213	\$ 0.204
Stock-based compensation expense	-	(25,085)	(61,349)	(74,989)	-	161,423	298	161,721	38,869	122,852	(11,026)	111,826	\$ 0.054	\$ 0.052
Intangible amortization	-	(34,016)	(6,252)	(31,695)	-	71,963	-	71,963	22,882	49,081	(1,239)	47,842	\$ 0.023	\$ 0.022
EMC Consolidated Non-GAAP (2)	<u>\$ 4,023,497</u>	<u>\$ 1,605,197</u>	<u>\$ 410,124</u>	<u>\$ 1,176,967</u>	<u>\$ -</u>	<u>\$ 831,209</u>	<u>\$ (10,213)</u>	<u>\$ 820,996</u>	<u>\$ 197,027</u>	<u>\$ 623,969</u>	<u>\$ (27,713)</u>	<u>\$ 596,256</u>	<u>\$ 0.291</u>	<u>\$ 0.279</u>

EMC Information Infrastructure GAAP	\$ 3,350,692	\$ 1,546,238	\$ 317,547	\$ 993,317	\$ 8,939	\$ 484,651	\$ (5,507)	\$ 479,144	\$ 111,658	\$ 367,486	\$ -	\$ 367,486	\$ 0.179	\$ 0.172
Restructuring and acquisition-related charges	-	-	-	-	(8,939)	8,939	-	8,939	3,490	5,449	-	5,449	\$ 0.003	\$ 0.003
EMC Information Infrastructure Adjusted (3)	3,350,692	1,546,238	317,547	993,317	-	493,590	(5,507)	488,083	115,148	372,935	-	372,935	\$ 0.182	\$ 0.175
Stock-based compensation expense	-	(16,622)	(22,037)	(51,045)	-	89,704	224	89,928	24,621	65,307	-	65,307	\$ 0.032	\$ 0.031
Intangible amortization	-	(26,934)	(5,625)	(31,059)	-	63,618	-	63,618	21,003	42,615	-	42,615	\$ 0.021	\$ 0.020
EMC Information Infrastructure Non-GAAP (4)	<u>\$ 3,350,692</u>	<u>\$ 1,502,682</u>	<u>\$ 289,885</u>	<u>\$ 911,213</u>	<u>\$ -</u>	<u>\$ 646,912</u>	<u>\$ (5,283)</u>	<u>\$ 641,629</u>	<u>\$ 160,772</u>	<u>\$ 480,857</u>	<u>\$ -</u>	<u>\$ 480,857</u>	<u>\$ 0.234</u>	<u>\$ 0.225</u>

VMware standalone GAAP	\$ 673,904	\$ 118,152	\$ 161,756	\$ 292,815	\$ -	\$ 101,181	\$ (4,237)	\$ 96,944	\$ 22,406	\$ 74,538	\$ -	\$ 74,538	\$ 0.036	\$ 0.035
GAAP adjustments and eliminations	(1,099)	(92)	(1,578)	(2,481)	900	2,152	(767)	1,385	2,912	(1,527)	(14,281)	(15,808)	\$ (0.008)	\$ (0.008)
VMware within EMC GAAP (5)	672,805	118,060	160,178	290,334	900	103,333	(5,004)	98,329	25,318	73,011	(14,281)	58,730	\$ 0.029	\$ 0.027
Acquisition-related charges	-	-	-	-	(900)	900	-	900	(5,190)	6,090	(1,167)	4,923	\$ 0.002	\$ 0.002
VMware within EMC Adjusted (6)	672,805	118,060	160,178	290,334	-	104,233	(5,004)	99,229	20,128	79,101	(15,448)	63,653	\$ 0.031	\$ 0.029
Stock-based compensation expense	-	(8,463)	(39,312)	(23,944)	-	71,719	74	71,793	14,248	57,545	(11,026)	46,519	\$ 0.023	\$ 0.022
Intangible amortization	-	(7,082)	(627)	(636)	-	8,345	-	8,345	1,879	6,466	(1,239)	5,227	\$ 0.003	\$ 0.002
VMware within EMC Non-GAAP (7)	<u>\$ 672,805</u>	<u>\$ 102,515</u>	<u>\$ 120,239</u>	<u>\$ 265,754</u>	<u>\$ -</u>	<u>\$ 184,297</u>	<u>\$ (4,930)</u>	<u>\$ 179,367</u>	<u>\$ 36,255</u>	<u>\$ 143,112</u>	<u>\$ (27,713)</u>	<u>\$ 115,399</u>	<u>\$ 0.056</u>	<u>\$ 0.053</u>

Wtd. Average Share O/S 2,052,161 2,132,997

Reconciliation of GAAP to Non-GAAP
For the Three Months Ended June 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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (26,252)	\$ (26,252)	\$ (9,703)	\$ (16,549)	\$ -	\$ (16,549)	\$ (0.008)	\$ (0.008)
Transition costs (9)	-	559	1,311	8,708	-	(10,578)	-	(10,578)	(2,931)	(7,647)	-	(7,647)	(0.004)	(0.004)
	<u>\$ -</u>	<u>\$ 559</u>	<u>\$ 1,311</u>	<u>\$ 8,708</u>	<u>\$ -</u>	<u>\$ (10,578)</u>	<u>\$ (26,252)</u>	<u>\$ (36,830)</u>	<u>\$ (12,634)</u>	<u>\$ (24,196)</u>	<u>\$ -</u>	<u>\$ (24,196)</u>	<u>\$ (0.012)</u>	<u>\$ (0.011)</u>

- (1) Represents EMC Consolidated GAAP excluding restructuring and acquisition-related charges.
- (2) Represents EMC Consolidated Adjusted excluding stock-based compensation expense and intangible 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 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 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 June 30, 2009
(in thousands, except per share amounts)
Unaudited

	Revenue	Cost of Revenue	Research and Development	Selling, General and Administrative	Restructuring and Other Special Charges	Operating Income	Other (Expense) Income, net	Income Before Taxes	Income Tax Provision	Net Income	Net Income Attributable to VMware	Net Income Attributable to EMC	Net Income per Weighted Average Share, Basic	Net Income per Weighted Average Share, Diluted	
EMC Consolidated GAAP	\$ 3,257,352	\$ 1,513,574	\$ 397,881	\$ 1,051,204	\$ 33,234	\$ 261,459	\$ (12,798)	\$ 248,661	\$ 38,045	\$ 210,616	\$ (5,384)	\$ 205,232	\$ 0.102	\$ 0.101	
Restructuring and other special charges	-	-	-	-	(33,234)	33,234	-	33,234	5,915	27,319	-	27,319	\$ 0.014	\$ 0.013	
EMC Consolidated Adjusted (1)	3,257,352	1,513,574	397,881	1,051,204	-	294,693	(12,798)	281,895	43,960	237,935	(5,384)	232,551	\$ 0.116	\$ 0.114	
Stock-based compensation expense	-	(22,257)	(43,715)	(55,912)	-	121,884	-	121,884	26,863	95,021	(7,324)	87,697	\$ 0.044	\$ 0.043	
Intangible amortization	-	(30,535)	(3,221)	(25,656)	-	59,412	-	59,412	20,426	38,986	(350)	38,636	\$ 0.019	\$ 0.019	
EMC Consolidated Non-GAAP (2)	<u>\$ 3,257,352</u>	<u>\$ 1,460,782</u>	<u>\$ 350,945</u>	<u>\$ 969,636</u>	<u>\$ -</u>	<u>\$ 475,989</u>	<u>\$ (12,798)</u>	<u>\$ 463,191</u>	<u>\$ 91,249</u>	<u>\$ 371,942</u>	<u>\$ (13,058)</u>	<u>\$ 358,884</u>	<u>\$ 0.178</u>	<u>\$ 0.177</u>	
EMC Information Infrastructure GAAP	\$ 2,802,239	\$ 1,432,563	\$ 277,756	\$ 838,141	\$ 33,234	\$ 220,545	\$ (12,818)	\$ 207,727	\$ 31,286	\$ 176,441	\$ -	\$ 176,441	\$ 0.088	\$ 0.087	
Restructuring and other special charges	-	-	-	-	(33,234)	33,234	-	33,234	5,915	27,319	-	27,319	\$ 0.014	\$ 0.013	
EMC Information Infrastructure Adjusted (3)	2,802,239	1,432,563	277,756	838,141	-	253,779	(12,818)	240,961	37,201	203,760	-	203,760	\$ 0.101	\$ 0.100	
Stock-based compensation expense	-	(15,224)	(17,267)	(34,665)	-	67,156	-	67,156	16,388	50,768	-	50,768	\$ 0.025	\$ 0.025	
Intangible amortization	-	(27,778)	(3,221)	(25,144)	-	56,143	-	56,143	19,272	36,871	-	36,871	\$ 0.018	\$ 0.018	
EMC Information Infrastructure Non-GAAP (4)	<u>\$ 2,802,239</u>	<u>\$ 1,389,561</u>	<u>\$ 257,268</u>	<u>\$ 778,332</u>	<u>\$ -</u>	<u>\$ 377,078</u>	<u>\$ (12,818)</u>	<u>\$ 364,260</u>	<u>\$ 72,861</u>	<u>\$ 291,399</u>	<u>\$ -</u>	<u>\$ 291,399</u>	<u>\$ 0.145</u>	<u>\$ 0.144</u>	
VMware standalone GAAP	\$ 455,675	\$ 81,146	\$ 121,380	\$ 215,150	\$ -	\$ 37,999	\$ 872	\$ 38,871	\$ 6,336	\$ 32,535	\$ -	\$ 32,535	\$ 0.016	\$ 0.016	
GAAP adjustments and eliminations	(562)	(135)	(1,255)	(2,087)	-	2,915	(852)	2,063	423	1,640	(5,384)	(3,744)	\$ (0.002)	\$ (0.002)	
VMware within EMC GAAP (5)	455,113	81,011	120,125	213,063	-	40,914	20	40,934	6,759	34,175	(5,384)	28,791	\$ 0.014	\$ 0.014	
Stock-based compensation expense	-	(7,033)	(26,448)	(21,247)	-	54,728	-	54,728	10,475	44,253	(7,324)	36,929	\$ 0.018	\$ 0.018	
Intangible amortization	-	(2,757)	-	(512)	-	3,269	-	3,269	1,154	2,115	(350)	1,765	\$ 0.001	\$ 0.001	
VMware within EMC Non-GAAP (6)	<u>\$ 455,113</u>	<u>\$ 71,221</u>	<u>\$ 93,677</u>	<u>\$ 191,304</u>	<u>\$ -</u>	<u>\$ 98,911</u>	<u>\$ 20</u>	<u>\$ 98,931</u>	<u>\$ 18,388</u>	<u>\$ 80,543</u>	<u>\$ (13,058)</u>	<u>\$ 67,485</u>	<u>\$ 0.034</u>	<u>\$ 0.033</u>	
													Wtd. Average Share O/S	2,011,508	2,030,048

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

The following costs are included in EMC Consolidated Non-GAAP and EMC Information Infrastructure Non-GAAP results:

	Revenue	Cost of Revenue	Research and Development	Selling, General and Administrative	Restructuring and Other Special Charges	Operating Income	Other (Expense) Income, net	Income Before Taxes	Income Tax Provision	Net Income	Net Income Attributable to VMware	Net Income Attributable to EMC	Net Income per Weighted Average Share, Basic	Net Income per Weighted Average Share, Diluted
Non-cash interest expense on convertible debt (7)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (26,780)	\$ (26,780)	\$ (8,385)	\$ (18,395)	\$ -	\$ (18,395)	\$ (0.009)	\$ (0.009)
Transition costs (8)	-	1,342	1,616	5,951	-	(8,909)	-	(8,909)	(2,341)	(6,568)	-	(6,568)	(0.003)	(0.003)
	<u>\$ -</u>	<u>\$ 1,342</u>	<u>\$ 1,616</u>	<u>\$ 5,951</u>	<u>\$ -</u>	<u>\$ (8,909)</u>	<u>\$ (26,780)</u>	<u>\$ (35,689)</u>	<u>\$ (10,726)</u>	<u>\$ (24,963)</u>	<u>\$ -</u>	<u>\$ (24,963)</u>	<u>\$ (0.012)</u>	<u>\$ (0.012)</u>

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

Note: schedule may not add due to rounding

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

	June 30, 2010 <u>(unaudited)</u>	December 31, 2009 <u></u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,784,812	\$ 6,302,499
Short-term investments	1,015,143	392,839
Accounts and notes receivable, less allowance for doubtful accounts of \$45,668 and \$47,414	1,976,311	2,108,575
Inventories	813,756	886,289
Deferred income taxes	583,425	564,174
Other current assets	<u>372,856</u>	<u>283,926</u>
Total current assets	10,546,303	10,538,302
Long-term investments	3,539,361	2,692,323
Property, plant and equipment, net	2,286,042	2,224,346
Intangible assets, net	1,144,649	1,185,632
Goodwill	9,434,792	9,210,376
Other assets, net	<u>1,060,304</u>	<u>961,024</u>
Total assets	<u>\$ 28,011,451</u>	<u>\$ 26,812,003</u>

LIABILITIES & SHAREHOLDERS' EQUITY

Current liabilities:		
Accounts payable	\$ 824,579	\$ 899,298
Accrued expenses	1,959,340	1,944,210
Income taxes payable	85,550	41,691
Deferred revenue	<u>2,541,030</u>	<u>2,262,968</u>
Total current liabilities	5,410,499	5,148,167
Income taxes payable	246,469	235,976
Deferred revenue	1,551,084	1,373,798
Deferred income taxes	568,455	708,378
Long-term convertible debt	3,156,376	3,100,290
Other liabilities	<u>176,342</u>	<u>184,920</u>
Total liabilities	<u>11,109,225</u>	<u>10,751,529</u>

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 2,053,517 and 2,052,441 shares	20,535	20,524
Additional paid-in capital	3,829,433	3,875,791
Retained earnings	12,558,209	11,759,289
Accumulated other comprehensive loss, net	<u>(144,859)</u>	<u>(105,722)</u>
Total EMC Corporation's shareholders' equity	16,263,318	15,549,882
Non-controlling interest in VMware, Inc.	<u>638,908</u>	<u>510,592</u>
Total shareholders' equity	<u>16,902,226</u>	<u>16,060,474</u>
Total liabilities and shareholders' equity	<u>\$ 28,011,451</u>	<u>\$ 26,812,003</u>

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

	Six Months Ended	
	June 30, 2010	June 30, 2009
Cash flows from operating activities:		
Cash received from customers	\$ 8,495,542	\$ 6,951,380
Cash paid to suppliers and employees	(6,291,713)	(5,348,576)
Dividends and interest received	54,219	73,448
Interest paid	(38,251)	(35,900)
Income taxes paid	(145,591)	(202,273)
Net cash provided by operating activities	2,074,206	1,438,079
Cash flows from investing activities:		
Additions to property, plant and equipment	(301,192)	(205,512)
Capitalized software development costs	(185,634)	(151,774)
Purchases of short and long-term available-for-sale securities	(2,929,754)	(3,315,606)
Sales of short and long-term available-for-sale securities	1,244,979	2,730,097
Maturities of short and long-term available-for-sale securities	178,201	348,483
Purchase of Data Domain common stock	-	(65,000)
Business acquisitions, net of cash acquired	(348,846)	(98,860)
Increase in strategic and other related investments	(5,812)	(107,055)
Net cash used in investing activities	(2,348,058)	(865,227)
Cash flows from financing activities:		
Issuance of EMC's common stock from the exercise of stock options	317,300	84,028
Issuance of VMware's common stock from the exercise of stock options	215,907	81,606
EMC repurchase of EMC's common stock	(517,370)	-
EMC purchase of VMware's common stock	(198,087)	-
VMware repurchase of VMware's common stock	(144,500)	-
Payments on securities lending	-	(152,196)
Excess tax benefits from stock-based compensation	111,807	6,715
Payment of long-term and short-term obligations	(3,515)	(19,364)
Proceeds from long-term and short-term obligations	1,116	1,116
Net cash (used in) provided by financing activities	(217,342)	1,905
Effect of exchange rate changes on cash	(26,493)	4,318
Net (decrease) increase in cash and cash equivalents	(517,687)	579,075
Cash and cash equivalents at beginning of period	6,302,499	5,843,685
Cash and cash equivalents at end of period	\$ 5,784,812	\$ 6,422,760
Reconciliation of net income to net cash provided by operating activities:		
Net income	\$ 828,187	\$ 415,961
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	566,439	509,066
Non-cash interest expense on convertible debt	52,172	53,079
Non-cash restructuring and other special charges	999	9,300
Stock-based compensation expense	319,397	234,531
Provision for doubtful accounts	11,358	7,219
Deferred income taxes, net	(101,930)	60,067
Excess tax benefits from stock-based compensation	(111,807)	(6,715)
Other	2,399	450
Changes in assets and liabilities, net of acquisitions:		
Accounts and notes receivable	163,646	391,899
Inventories	13,598	(9,910)
Other assets	(104,326)	(37,540)
Accounts payable	(84,470)	(27,915)
Accrued expenses	(63,195)	(134,894)
Income taxes payable	188,968	(186,480)
Deferred revenue	406,349	144,148
Other liabilities	(13,578)	15,813
Net cash provided by operating activities	\$ 2,074,206	\$ 1,438,079

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

	Six Months Ended		Twelve Months Ended	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
EMC Consolidated				
Cash flow from Operations	\$ 2,074,206	\$ 1,438,079	\$ 3,970,512	\$ 3,466,298
Capital Expenditures	(301,192)	(205,512)	(507,259)	(574,962)
Capitalized Software	(185,634)	(151,774)	(338,380)	(327,899)
Free Cash Flow	\$ 1,587,380	\$ 1,080,793	\$ 3,124,873	\$ 2,563,437

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

For the three months ended June 30, 2010

	<u>Income Before Tax</u>	<u>Tax Provision</u>	<u>Tax Rate</u>
EMC Consolidated GAAP	\$ 577,473	\$ 136,976	24%
Stock-based compensation expense	161,721	38,869	24%
Intangible asset amortization	71,963	22,882	32%
Restructuring and acquisition-related charges	9,839	(1,700)	-17%
EMC Consolidated Non-GAAP	<u>\$ 820,996</u>	<u>\$ 197,027</u>	24%

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

	EMC Consolidated
Gross Margin GAAP	\$ 2,359,199
Stock-based compensation expense	25,085
Intangible asset amortization	34,016
Gross Margin Non-GAAP	\$ 2,418,300
Revenues	\$ 4,023,497
% GAAP	58.6%
% Non-GAAP	60.1%

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

	EMC Consolidated
Operating Margin GAAP	\$ 587,984
Restructuring and acquisition-related charges	9,839
Stock-based compensation expense	161,423
Intangible asset amortization	71,963
Operating Margin Non-GAAP	\$ 831,209
Revenues	\$ 4,023,497
% GAAP	14.6%
% Non-GAAP	20.7%

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

Supplemental Revenue Data

	Q1 2009	Q2 2009	Q3 2009	Q4 2009	YTD 2009	Q1 2010	Q2 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
Services Revenue	790,932	842,558	880,807	947,061	3,461,358	901,781	922,067
Total Storage Revenue	\$ 2,363,340	\$ 2,474,867	\$ 2,699,037	\$ 3,122,165	\$ 10,659,409	\$ 2,919,095	\$ 2,998,922
Information Intelligence Group:							
Product Revenue	\$ 58,710	\$ 60,792	\$ 58,209	\$ 83,125	\$ 260,836	\$ 63,662	\$ 62,329
Services Revenue	115,605	119,445	118,979	124,724	478,753	114,502	116,105
Total Information Intelligence Group Revenue	\$ 174,315	\$ 180,237	\$ 177,188	\$ 207,849	\$ 739,589	\$ 178,164	\$ 178,434
Security:							
Product Revenue	\$ 80,671	\$ 84,080	\$ 84,080	\$ 91,441	\$ 340,272	\$ 85,814	\$ 90,876
Services Revenue	62,035	63,055	68,420	72,168	265,678	75,654	82,460
Total Security Revenue	\$ 142,706	\$ 147,135	\$ 152,500	\$ 163,609	\$ 605,950	\$ 161,468	\$ 173,336
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
Services Revenue	968,572	1,025,058	1,068,206	1,143,953	4,205,789	1,091,937	1,120,632
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
VMware:							
Product Revenue	\$ 257,331	\$ 228,089	\$ 240,062	\$ 303,504	\$ 1,028,986	\$ 311,927	\$ 323,256
Services Revenue	213,070	227,024	248,843	303,039	991,976	320,038	349,549
Total VMware Revenue	\$ 470,401	\$ 455,113	\$ 488,905	\$ 606,543	\$ 2,020,962	\$ 631,965	\$ 672,805
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
Services Revenue	1,181,642	1,252,082	1,317,049	1,446,992	5,197,765	1,411,975	1,470,181
Total Consolidated Revenues	\$ 3,150,762	\$ 3,257,352	\$ 3,517,630	\$ 4,100,166	\$ 14,025,910	\$ 3,890,692	\$ 4,023,497

Percentage impact to EMC revenue growth rate
due to changes in exchange rates from the prior year
CAR 7/20/2010

(3.5%) (3.7%) (1.3%) 2.5% (1.4%) 2.4% 0.04%

EMC Corporation
Reconciliation of EMC's Compounded Annual Growth Rate
Unaudited

	<u>Actual</u> <u>2004</u>	<u>Forecasted</u> <u>2010</u>	<u>Forecasted</u> <u>CAGR</u>
GAAP diluted earnings per share	\$ 0.36	\$ 0.84	15%
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>\$ 1.18</u>	19%

Schedule may not add due to rounding