



**EMC Q3 2009
Financial Results**

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October 22, 2009

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; (xiv) litigation that we may be involved in; and (xv) other one-time events and other important factors disclosed previously and from time to time in EMC’s filings with the U.S. Securities and Exchange Commission. EMC disclaims any obligation to update any such forward-looking statements after the date of this presentation.

This presentation contains non-GAAP financial measures which include, but are not limited to, non-GAAP EPS, Free Cash Flow, non-GAAP Gross Margin and non-GAAP Operating Margin. A reconciliation to GAAP is included within this presentation or in the Current Report on Form 8-K furnished by EMC on October 22, 2009 which can be found at www.EMC.com or www.sec.gov.

CFO Commentary

David Goulden
Executive Vice President & CFO

EMC Consolidated Results



Q3 09

Revenue	\$3.5B
Non-GAAP EPS	\$0.23
Free Cash Flow	\$745M

Refer to the schedules in the Appendix for a complete reconciliation of GAAP to non-GAAP.

EMC Consolidated Expectations



	Q4 09	2009
Revenue	~\$4.0B	~\$13.9B
Non-GAAP EPS	~\$0.30	~\$0.87

Refer to the schedules in the Appendix for a complete reconciliation of GAAP to non-GAAP.

EMC Information Infrastructure Results



Q3 09

Revenue

\$3.0B

Product

\$1.96B

Services

\$1.07B

Non-GAAP EPS

\$0.20

Free Cash Flow

\$576M

Refer to the schedules in the Appendix for a complete reconciliation of GAAP to non-GAAP.

EMC Information Infrastructure Revenues



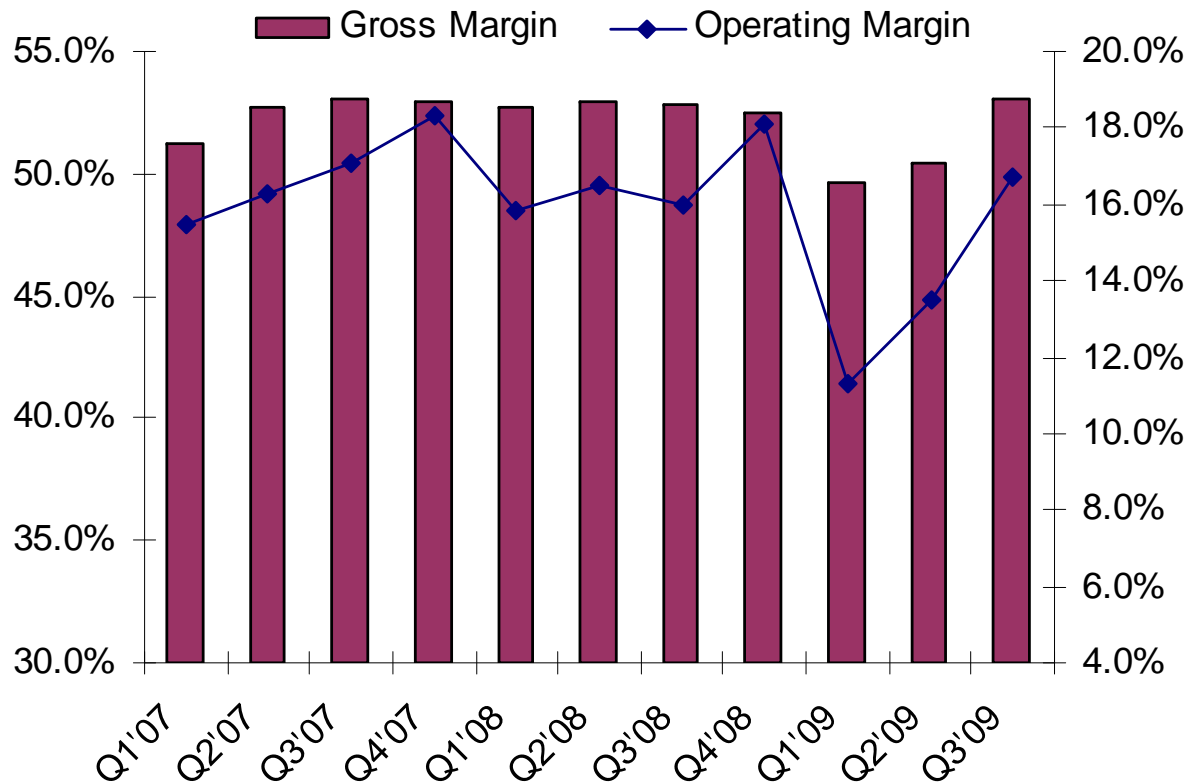
Q3 09

- Information Storage: \$2.7 Billion
- RSA Security: \$152 Million
- Content Management and Archiving: \$177 Million
- Services: \$1.07 Billion

EMC Information Infrastructure Results



Non-GAAP Gross and Operating Margin Performance



Refer to the schedules in the Appendix for a complete reconciliation of GAAP to non-GAAP.

EMC Consolidated Results



Q3 09

Revenue	\$3.5B
Non-GAAP EPS	\$0.23
Free Cash Flow	\$745M

Refer to the schedules in the Appendix for a complete reconciliation of GAAP to non-GAAP.

EMC Consolidated Results



Q3 09

Operating cash flow: \$888 Million

- Deferred revenues: \$3.5 Billion
- Inventory turns: 7.7x
- DSO's: 49 days

Cash and investments: \$8.4 Billion

- Domestic: \$2.5 Billion
- VMware: \$2.2 Billion
- Overseas: \$3.7 Billion

CEO Commentary

Joe Tucci
Chairman & CEO



Q&A



Appendix

Appendix – Use of Non-GAAP Information



Use of Non-GAAP Financial Measures

This presentation contains 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 gains on Data Domain and SpringSource common stock, restructuring and acquisition-related charges, stock-based compensation expense, intangible asset amortization, special income tax benefit and restructuring charge) 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.

EMC Consolidated 2009 Expectations

GAAP to Non-GAAP Reconciliation



	Q4 09	2009
GAAP EPS	\$0.21	\$0.55
Stock-based compensation	\$0.06	\$0.21
Intangibles amortization	\$0.02	\$0.08
Restructuring and acquisition-related charges	\$0.01	\$0.04
Gain on common stock of acquired companies*	-	(\$0.01)
Non-GAAP EPS	<u>\$0.30</u>	<u>\$0.87</u>

* gains on Data Domain and Spring Source stock; numbers may not foot due to rounding

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

	Three Months Ended		Nine Months Ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
	(As Adjusted)		(As Adjusted)	
Revenues:				
Product sales	\$ 2,200,581	\$ 2,492,941	\$ 6,174,971	\$ 7,295,022
Services	1,317,049	1,222,651	3,750,773	3,564,503
	<u>3,517,630</u>	<u>3,715,592</u>	<u>9,925,744</u>	<u>10,859,525</u>
Cost and expenses:				
Cost of product sales	1,107,400	1,156,063	3,177,935	3,350,199
Cost of services	470,013	500,809	1,380,559	1,512,641
Research and development	422,092	410,793	1,203,266	1,286,809
Selling, general and administrative	1,177,775	1,172,579	3,253,752	3,390,468
In-process research and development	-	-	-	79,204
Restructuring and acquisition-related charges	34,781	4,398	83,587	4,041
	<u>305,569</u>	<u>470,950</u>	<u>826,645</u>	<u>1,236,163</u>
Operating income				
Investment income	38,106	56,717	109,293	192,587
Interest expense	(46,227)	(44,501)	(135,928)	(131,614)
Other income (expense), net	28,022	(13,313)	17,281	(20,887)
	<u>325,470</u>	<u>469,853</u>	<u>817,291</u>	<u>1,276,249</u>
Income before tax	325,470	469,853	817,291	1,276,249
Income tax provision	20,602	63,309	96,462	244,060
	<u>304,868</u>	<u>406,544</u>	<u>720,829</u>	<u>1,032,189</u>
Net income	304,868	406,544	720,829	1,032,189
Less: Net income attributable to the non-controlling interests in VMware, Inc.	(6,688)	(13,133)	(23,348)	(27,007)
	<u>\$ 298,180</u>	<u>\$ 393,411</u>	<u>\$ 697,481</u>	<u>\$ 1,005,182</u>
Net income attributable to EMC Corporation				
Net income per weighted average share, basic:				
common shareholders:	<u>\$ 0.15</u>	<u>\$ 0.19</u>	<u>\$ 0.35</u>	<u>\$ 0.49</u>
Net income per weighted average share, diluted:				
common shareholders:	<u>\$ 0.14</u>	<u>\$ 0.19</u>	<u>\$ 0.34</u>	<u>\$ 0.48</u>
Weighted average shares, basic	2,027,347	2,048,594	2,015,920	2,060,952
Weighted average shares, diluted	2,065,951	2,077,474	2,038,984	2,095,116

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 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, 2008
(in thousands, except per share amounts)
Unaudited

	Revenue	Cost of Revenue	Research and Development	Selling, General and Administrative	Restructuring Charge	Operating Income	Other 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	\$ 3,715,592	\$ 1,656,872	\$ 410,793	\$ 1,172,579	\$ 4,398	\$ 470,950	\$ (1,097)	\$ 469,853	\$ 63,309	\$ 406,544	\$ (13,133)	\$ 393,411	\$ 0.192	\$ 0.189
Restructuring charge	-	-	-	-	(4,398)	4,398	-	4,398	2,990	1,408	-	1,408	\$ 0.001	\$ 0.001
Special income tax benefit	-	-	-	-	-	-	-	-	17,803	(17,803)	-	(17,803)	\$ (0.009)	\$ (0.009)
EMC Consolidated Adjusted (1)	3,715,592	1,656,872	410,793	1,172,579	-	475,348	(1,097)	474,251	84,102	390,149	(13,133)	377,016	\$ 0.184	\$ 0.181
Stock-based compensation expense	-	(21,052)	(36,734)	(60,475)	-	118,261	-	118,261	27,630	90,631	(4,437)	86,194	\$ 0.042	\$ 0.041
Intangible asset amortization	-	(40,737)	(2,804)	(28,428)	-	71,969	-	71,969	24,725	47,244	(500)	46,744	\$ 0.023	\$ 0.023
EMC Consolidated Non-GAAP (2)	\$ 3,715,592	\$ 1,595,083	\$ 371,255	\$ 1,083,676	\$ -	\$ 665,578	\$ (1,097)	\$ 664,481	\$ 136,457	\$ 528,024	\$ (18,070)	\$ 509,954	\$ 0.249	\$ 0.245

EMC Information Infrastructure GAAP	\$ 3,243,732	\$ 1,582,588	\$ 326,204	\$ 963,428	\$ 4,398	\$ 367,114	\$ (2,342)	\$ 364,772	\$ 42,785	\$ 321,987	\$ -	\$ 321,987	\$ 0.157	\$ 0.155
Restructuring charge	-	-	-	-	(4,398)	4,398	-	4,398	2,990	1,408	-	1,408	\$ 0.001	\$ 0.001
Special income tax benefit	-	-	-	-	-	-	-	-	17,803	(17,803)	-	(17,803)	\$ (0.009)	\$ (0.009)
EMC Information Infrastructure Adjusted (3)	3,243,732	1,582,588	326,204	963,428	-	371,512	(2,342)	369,170	63,578	305,592	-	305,592	\$ 0.149	\$ 0.147
Stock-based compensation expense	-	(15,251)	(21,184)	(44,414)	-	80,849	-	80,849	18,371	62,478	-	62,478	\$ 0.030	\$ 0.030
Intangible asset amortization	-	(37,208)	(2,804)	(26,882)	-	66,894	-	66,894	22,823	44,071	-	44,071	\$ 0.022	\$ 0.021
EMC Information Infrastructure Non-GAAP (4)	\$ 3,243,732	\$ 1,530,129	\$ 302,216	\$ 892,132	\$ -	\$ 519,255	\$ (2,342)	\$ 516,913	\$ 104,772	\$ 412,141	\$ -	\$ 412,141	\$ 0.201	\$ 0.198

VMware standalone GAAP	\$ 472,121	\$ 74,454	\$ 85,315	\$ 211,332	\$ -	\$ 101,020	\$ 2,510	\$ 103,530	\$ 20,242	\$ 83,288	\$ -	\$ 83,288	\$ 0.041	\$ 0.040
GAAP adjustments and eliminations	(261)	(170)	(726)	(2,181)	-	2,816	(1,265)	1,551	282	1,269	(13,133)	(11,864)	\$ (0.006)	\$ (0.006)
VMware within EMC GAAP (5)	471,860	74,284	84,589	209,151	-	103,836	1,245	105,081	20,524	84,557	(13,133)	71,424	\$ 0.035	\$ 0.034
Stock-based compensation expense	-	(5,801)	(15,550)	(16,061)	-	37,412	-	37,412	9,259	28,153	(4,437)	23,716	\$ 0.012	\$ 0.011
Intangible asset amortization	-	(3,529)	-	(1,546)	-	5,075	-	5,075	1,902	3,173	(500)	2,673	\$ 0.001	\$ 0.001
VMware within EMC Non-GAAP (6)	\$ 471,860	\$ 64,954	\$ 69,039	\$ 191,544	\$ -	\$ 146,323	\$ 1,245	\$ 147,568	\$ 31,685	\$ 115,883	\$ (18,070)	\$ 97,813	\$ 0.048	\$ 0.047

Wtd. Average Share O/S 2,048,594 2,077,474

Reconciliation of GAAP to Non-GAAP
For the Three Months Ended September 30, 2008
(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 Charge	Operating Income	Other 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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (26,009)	\$ (26,009)	\$ (8,143)	\$ (17,866)	\$ -	\$ (17,866)	\$ (0.009)	\$ (0.009)

- (1) Represents EMC Consolidated GAAP excluding restructuring charge and special income tax benefit.
- (2) Represents EMC Consolidated Adjusted excluding stock-based compensation expense and intangible asset amortization.
- (3) Represents EMC Information Infrastructure GAAP excluding restructuring charge and special income tax benefit.
- (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 excluding stock-based compensation expense and intangible asset amortization.
- (7) Represents the non-cash interest charge associated with our convertible senior notes due 2011 and 2013 totaling \$3,450 million.

Note: schedule may not add due to rounding

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

	September 30, 2009	December 31, 2008 (As Adjusted)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,518,359	\$ 5,843,685
Short-term investments	617,535	963,292
Accounts and notes receivable, less allowance for doubtful accounts of \$50,500 and \$48,080	1,864,121	2,252,640
Inventories	810,925	842,803
Deferred income taxes	486,463	477,101
Other current assets	331,162	285,508
Total current assets	<u>9,628,565</u>	<u>10,665,029</u>
Long-term investments	2,291,672	2,370,493
Property, plant and equipment, net	2,218,632	2,223,007
Intangible assets, net	1,245,447	795,616
Goodwill, net	9,222,725	7,046,799
Other assets, net	944,703	773,631
Total assets	<u>\$ 25,551,744</u>	<u>\$ 23,874,575</u>
 LIABILITIES & SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 819,204	\$ 757,405
Accrued expenses	1,864,892	1,901,884
Securities lending payable	-	412,321
Income taxes payable	13,378	136,802
Deferred revenue	2,220,602	2,010,024
Total current liabilities	<u>4,918,076</u>	<u>5,218,436</u>
Income taxes payable	241,506	255,182
Deferred revenue	1,257,876	1,182,360
Deferred income taxes	582,633	389,787
Long-term convertible debt	3,072,505	2,991,943
Other liabilities	212,880	180,917
Total Liabilities	<u>10,285,476</u>	<u>10,218,625</u>
 Commitments and contingencies		
EMC Corporation's Shareholders' equity:		
Preferred stock, par value \$.01; authorized 25,000 shares, none outstanding	-	-
Common stock, par value \$.01; authorized 6,000,000 shares; issued 2,039,822 and 2,012,938 shares	20,398	20,129
Additional paid-in capital	3,536,678	2,817,054
Retained earnings	11,368,693	10,671,212
Accumulated other comprehensive loss	(118,369)	(179,952)
Total EMC Corporation's shareholders' equity	<u>14,807,400</u>	<u>13,328,443</u>
Non-controlling interest in VMware, Inc.	458,868	327,507
Total shareholders' equity	<u>15,266,268</u>	<u>13,655,950</u>
Total liabilities and shareholders' equity	<u>\$ 25,551,744</u>	<u>\$ 23,874,575</u>

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

	Nine Months Ended	
	September 30, 2009	September 30, 2008 (As Adjusted)
Cash flows from operating activities:		
Cash received from customers	\$ 10,600,727	\$ 11,437,259
Cash paid to suppliers and employees	(8,098,216)	(8,842,798)
Dividends and interest received	95,024	192,651
Interest paid	(39,550)	(55,270)
Income taxes paid	(232,257)	(233,500)
Net cash provided by operating activities	2,325,728	2,498,342
Cash flows from investing activities:		
Additions to property, plant and equipment	(277,589)	(490,066)
Capitalized software development costs	(222,432)	(209,441)
Purchases of short and long-term available for sale securities	(4,224,872)	(2,200,508)
Sales and maturities of short and long-term available for sale securities	4,880,173	2,766,087
Acquisitions, net of cash acquired	(2,664,141)	(678,218)
Increase in strategic and other related investments	(152,667)	(4,410)
Net cash used in investing activities	(2,661,528)	(816,556)
Cash flows from financing activities:		
Issuance of EMC's common stock from the exercise of stock options	226,276	176,774
Issuance of VMware's common stock from the exercise of stock options	166,523	167,417
Repayments on securities lending	(412,321)	-
Repurchase of EMC's common stock	-	(1,119,986)
Excess tax benefits from stock-based compensation	25,355	96,046
Payment of short and long-term obligations	(19,836)	(5,678)
Proceeds from short and long-term obligations	1,615	2,125
Net cash used in financing activities	(12,388)	(683,302)
Effect of exchange rate changes on cash	22,862	(6,995)
Net (decrease) increase in cash and cash equivalents	(325,326)	991,489
Cash and cash equivalents at beginning of period	5,843,685	4,482,211
Cash and cash equivalents at end of period	\$ 5,518,359	\$ 5,473,700
Reconciliation of net income to net cash provided by operating activities:		
Net income	\$ 720,829	\$ 1,032,189
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	791,043	785,871
Non-cash interest expense on convertible debt	80,562	76,286
Non-cash restructuring and in-process research and development	22,138	80,705
Stock-based compensation expense	420,947	357,668
Increase in provision for doubtful accounts	15,160	16,615
Deferred income taxes, net	8,101	588
Excess tax benefits from stock-based compensation	(25,355)	(96,046)
Gain on Data Domain and SpringSource common stock	(25,822)	-
Other	(13,567)	(4,135)
Changes in assets and liabilities, net of acquisitions:		
Accounts and notes receivable	455,116	270,942
Inventories	(61,265)	4,039
Other assets	(35,483)	(68,180)
Accounts payable	66,868	14,096
Accrued expenses	(175,982)	(286,691)
Income taxes payable	(143,896)	4,326
Deferred revenue	204,707	290,177
Other liabilities	21,627	19,892
Net cash provided by operating activities	\$ 2,325,728	\$ 2,498,342

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

	Three Months Ended		Nine Months Ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
EMC Consolidated				
Cash flow from Operations	\$ 887,649	\$ 961,473	\$ 2,325,728	\$ 2,498,342
Capital Expenditures	(72,077)	(163,617)	(277,589)	(490,066)
Capitalized Software	(70,658)	(90,593)	(222,432)	(209,441)
Free Cash Flow	<u>\$ 744,914</u>	<u>\$ 707,263</u>	<u>\$ 1,825,707</u>	<u>\$ 1,798,835</u>
VMware within EMC				
Cash flow from Operations	\$ 196,516	\$ 238,544	\$ 662,810	\$ 471,301
Capital Expenditures	(18,455)	(32,042)	(66,104)	(118,385)
Capitalized Software	(8,844)	(37,961)	(53,524)	(53,895)
Free Cash Flow	<u>\$ 169,217</u>	<u>\$ 168,541</u>	<u>\$ 543,182</u>	<u>\$ 299,021</u>
EMC Information Infrastructure				
Cash flow from Operations	\$ 691,133	\$ 722,929	\$ 1,662,918	\$ 2,027,041
Capital Expenditures	(53,622)	(131,575)	(211,485)	(371,681)
Capitalized Software	(61,814)	(52,632)	(168,908)	(155,546)
Free Cash Flow	<u>\$ 575,697</u>	<u>\$ 538,722</u>	<u>\$ 1,282,525</u>	<u>\$ 1,499,814</u>

Free cash flow for the three and nine months ended September 30, 2009 includes intercompany tax payments of \$8.0 million and \$93.4 million, respectively, from EMC Information Infrastructure to VMware within EMC.

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

Supplemental Revenue Data

	Q1 2008	Q2 2008	Q3 2008	Q4 2008	YTD 2008	Q1 2009	Q2 2009	Q3 2009
Storage:								
Product Revenue	\$ 1,903,639	\$ 2,018,026	\$ 2,056,498	\$ 2,285,366	\$ 8,263,529	\$ 1,572,408	\$ 1,632,309	\$ 1,818,230
Services Revenue	808,190	855,221	851,825	853,539	3,368,775	790,932	842,558	880,807
Total Storage Revenue	\$ 2,711,829	\$ 2,873,247	\$ 2,908,323	\$ 3,138,905	\$ 11,632,304	\$ 2,363,340	\$ 2,474,867	\$ 2,699,037
Content Management and Archiving:								
Product Revenue	\$ 61,128	\$ 73,415	\$ 62,576	\$ 81,054	\$ 278,173	\$ 58,710	\$ 60,792	\$ 58,209
Services Revenue	124,075	130,591	125,493	127,316	507,475	115,605	119,445	118,979
Total Content Management and Archiving Revenue	\$ 185,203	\$ 204,006	\$ 188,069	\$ 208,370	\$ 785,648	\$ 174,315	\$ 180,237	\$ 177,188
Security:								
Product Revenue	\$ 81,683	\$ 89,067	\$ 88,779	\$ 95,534	\$ 355,063	\$ 80,671	\$ 84,080	\$ 84,080
Services Revenue	53,174	54,979	58,561	59,498	226,212	62,035	63,055	68,420
Total Security Revenue	\$ 134,857	\$ 144,046	\$ 147,340	\$ 155,032	\$ 581,275	\$ 142,706	\$ 147,135	\$ 152,500
EMC Information Infrastructure:								
Product Revenue	\$ 2,046,450	\$ 2,180,508	\$ 2,207,853	\$ 2,461,954	\$ 8,896,765	\$ 1,711,789	\$ 1,777,181	\$ 1,960,519
Services Revenue	985,439	1,040,791	1,035,879	1,040,353	4,102,462	968,572	1,025,058	1,068,206
Total EMC Information Infrastructure Revenue	\$ 3,031,889	\$ 3,221,299	\$ 3,243,732	\$ 3,502,307	\$ 12,999,227	\$ 2,680,361	\$ 2,802,239	\$ 3,028,725
VMware:								
Product Revenue	\$ 293,980	\$ 281,143	\$ 285,088	\$ 314,840	\$ 1,175,051	\$ 257,331	\$ 228,089	\$ 240,062
Services Revenue	144,190	171,432	186,772	199,491	701,885	213,070	227,024	248,843
Total VMware Revenue	\$ 438,170	\$ 452,575	\$ 471,860	\$ 514,331	\$ 1,876,936	\$ 470,401	\$ 455,113	\$ 488,905
Consolidated Revenues								
Product Revenue	\$ 2,340,430	\$ 2,461,651	\$ 2,492,941	\$ 2,776,794	\$ 10,071,816	\$ 1,969,120	\$ 2,005,270	\$ 2,200,581
Services Revenue	1,129,629	1,212,223	1,222,651	1,239,844	4,804,347	1,181,642	1,252,082	1,317,049
Total Consolidated Revenues	\$ 3,470,059	\$ 3,673,874	\$ 3,715,592	\$ 4,016,638	\$ 14,876,163	\$ 3,150,762	\$ 3,257,352	\$ 3,517,630
Percentage impact to EMC revenue growth rate due to changes in exchange rates from the prior year	2.3%	2.7%	1.2%	(2.3)%	0.8%	(3.5)%	(3.7)%	(1.3)%

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

	<u>Income Before Tax</u>	<u>Tax Provision</u>	<u>Tax Rate</u>
EMC Consolidated GAAP	\$ 325,470	\$ 20,602	6%
Stock-based compensation expense	189,578	47,078	25%
Intangible asset amortization	63,285	21,651	34%
Restructuring and acquisition-related charges	47,266	14,724	31%
Gain on Data Domain and SpringSource common stock	(25,822)	-	0%
EMC Consolidated Non-GAAP	<u>\$ 599,777</u>	<u>\$ 104,055</u>	17%

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

	<u>Q1 '07</u>	<u>Q2 '07</u>	<u>Q3 '07</u>	<u>Q4 '07</u>	<u>Q1 '08</u>	<u>Q2 '08</u>	<u>Q3 '08</u>	<u>Q4 '08</u>	<u>Q1 '09</u>	<u>Q2 '09</u>	<u>Q3 '09</u>
EMC Information Infrastructure Gross Margin GAAP	\$ 1,356,449	\$ 1,452,198	\$ 1,526,004	\$ 1,774,212	\$ 1,548,285	\$ 1,656,440	\$ 1,661,144	\$ 1,783,145	\$ 1,287,536	\$ 1,369,676	\$ 1,547,240
Less: Stock-based compensation expense	13,028	12,456	12,652	10,557	12,136	12,486	15,251	16,665	14,233	15,224	17,608
Intangible asset amortization	23,792	23,970	25,003	26,011	35,888	36,974	37,208	37,253	27,853	27,778	31,228
Acquisition-related charges	-	-	-	-	-	-	-	-	-	-	12,485
EMC Information Infrastructure Gross Margin Non-GAAP	<u>\$ 1,393,269</u>	<u>\$ 1,488,624</u>	<u>\$ 1,563,659</u>	<u>\$ 1,810,780</u>	<u>\$ 1,596,309</u>	<u>\$ 1,705,900</u>	<u>\$ 1,713,603</u>	<u>\$ 1,837,063</u>	<u>\$ 1,329,622</u>	<u>\$ 1,412,678</u>	<u>\$ 1,608,561</u>
Revenues	\$ 2,718,987	\$ 2,826,575	\$ 2,945,463	\$ 3,418,367	\$ 3,031,889	\$ 3,221,299	\$ 3,243,732	\$ 3,502,307	\$ 2,680,361	\$ 2,802,239	\$ 3,028,725
% GAAP	49.9%	51.4%	51.8%	51.9%	51.1%	51.4%	51.2%	50.9%	48.0%	48.9%	51.1%
% Non-GAAP	51.2%	52.7%	53.1%	53.0%	52.7%	53.0%	52.8%	52.5%	49.6%	50.4%	53.1%

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

	<u>Q1 '07</u>	<u>Q2 '07</u>	<u>Q3 '07</u>	<u>Q4 '07</u>	<u>Q1 '08</u>	<u>Q2 '08</u>	<u>Q3 '08</u>	<u>Q4 '08</u>	<u>Q1 '09</u>	<u>Q2 '09</u>	<u>Q3 '09</u>
EMC Information Infrastructure Operating Margin GAAP	\$ 308,372	\$ 346,018	\$ 391,816	\$ 479,218	\$ 263,370	\$ 391,523	\$ 367,114	\$ 228,453	\$ 170,216	\$ 220,545	\$ 278,880
Less: Restructuring and acquisition-related charges	-	-	-	34,901	79,204	-	4,398	240,694	15,572	33,234	46,493
Stock-based compensation expense	71,703	71,233	68,896	61,627	74,460	75,424	80,849	94,824	60,949	67,156	122,061
Intangible asset amortization	41,958	42,308	44,280	50,510	62,149	65,038	66,894	68,263	55,879	56,143	59,838
EMC Information Infrastructure Operating Margin Non-GAAP	<u>\$ 422,033</u>	<u>\$ 459,559</u>	<u>\$ 504,992</u>	<u>\$ 626,256</u>	<u>\$ 479,183</u>	<u>\$ 531,985</u>	<u>\$ 519,255</u>	<u>\$ 632,234</u>	<u>\$ 302,616</u>	<u>\$ 377,078</u>	<u>\$ 507,272</u>
Revenues	\$ 2,718,987	\$ 2,826,575	\$ 2,945,463	\$ 3,418,367	\$ 3,031,889	\$ 3,221,299	\$ 3,243,732	\$ 3,502,307	\$ 2,680,361	\$ 2,802,239	\$ 3,028,725
% GAAP	11.3%	12.2%	13.3%	14.0%	8.7%	12.2%	11.3%	6.5%	6.4%	7.9%	9.2%
% Non-GAAP	15.5%	16.3%	17.1%	18.3%	15.8%	16.5%	16.0%	18.1%	11.3%	13.5%	16.7%