

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

	Three Months Ended		Nine Months Ended	
	September 30, 2009	September 30, 2008 (As Adjusted)	September 30, 2009	September 30, 2008 (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				
	305,569	470,950	826,645	1,236,163
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 result

	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	9,628,565	10,665,029
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	4,918,076	5,218,436
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	10,285,476	10,218,625
 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	14,807,400	13,328,443
Non-controlling interest in VMware, Inc.	458,868	327,507
Total shareholders' equity	15,266,268	13,655,950
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
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	\$ 1,393,269	\$ 1,488,624	\$ 1,563,659	\$ 1,810,780	\$ 1,596,309	\$ 1,705,900	\$ 1,713,603	\$ 1,837,063	\$ 1,329,622	\$ 1,412,678	\$ 1,608,561
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	\$ 422,033	\$ 459,559	\$ 504,992	\$ 626,256	\$ 479,183	\$ 531,985	\$ 519,255	\$ 632,234	\$ 302,616	\$ 377,078	\$ 507,272
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%

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

Supplemental Revenue Data

	<u>Q1 2008</u>	<u>Q2 2008</u>	<u>Q3 2008</u>	<u>Q4 2008</u>	<u>YTD 2008</u>	<u>Q1 2009</u>	<u>Q2 2009</u>	<u>Q3 2009</u>
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)%