

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

| | Three Months Ended | | Twelve Months Ended | |
|--|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2009 | December 31, 2008 | December 31, 2009 | December 31, 2008 |
| | (As Adjusted) | | (As Adjusted) | |
| Revenues: | | | | |
| Product sales | \$ 2,653,174 | \$ 2,776,794 | \$ 8,828,145 | \$ 10,071,816 |
| Services | 1,446,992 | 1,239,844 | 5,197,765 | 4,804,347 |
| | <u>4,100,166</u> | <u>4,016,638</u> | <u>14,025,910</u> | <u>14,876,163</u> |
| Cost and expenses: | | | | |
| Cost of product sales | 1,228,252 | 1,313,468 | 4,406,187 | 4,663,667 |
| Cost of services | 494,265 | 477,486 | 1,874,824 | 1,990,127 |
| Research and development | 424,243 | 434,521 | 1,627,509 | 1,721,330 |
| Selling, general and administrative | 1,341,873 | 1,211,120 | 4,595,625 | 4,601,588 |
| In-process research and development | - | 6,576 | - | 85,780 |
| Restructuring and acquisition-related charges | 23,903 | 240,694 | 107,490 | 244,735 |
| | <u>587,630</u> | <u>332,773</u> | <u>1,414,275</u> | <u>1,568,936</u> |
| Operating income | | | | |
| Non-operating income (expense): | | | | |
| Investment income | 31,137 | 54,462 | 140,430 | 247,049 |
| Interest expense | (46,571) | (44,741) | (182,499) | (176,355) |
| Other income (expense), net | (14,911) | (18,518) | 2,370 | (39,405) |
| Total non-operating income (expense) | <u>(30,345)</u> | <u>(8,797)</u> | <u>(39,699)</u> | <u>31,289</u> |
| Income before provision for income taxes | 557,285 | 323,976 | 1,374,576 | 1,600,225 |
| Income tax provision | <u>156,313</u> | <u>36,336</u> | <u>252,775</u> | <u>280,396</u> |
| Net income | 400,972 | 287,640 | 1,121,801 | 1,319,829 |
| Less: Net income attributable to the non-controlling interest in VMware, Inc. | <u>(10,376)</u> | <u>(17,718)</u> | <u>(33,724)</u> | <u>(44,725)</u> |
| Net income attributable to EMC Corporation | <u>\$ 390,596</u> | <u>\$ 269,922</u> | <u>\$ 1,088,077</u> | <u>\$ 1,275,104</u> |
| Net income per weighted average share, basic attributable to EMC Corporation common shareholders | <u>\$ 0.19</u> | <u>\$ 0.13</u> | <u>\$ 0.54</u> | <u>\$ 0.62</u> |
| Net income per weighted average share, diluted attributable to EMC Corporation common shareholders | <u>\$ 0.19</u> | <u>\$ 0.13</u> | <u>\$ 0.53</u> | <u>\$ 0.61</u> |
| Weighted average shares, basic | 2,041,601 | 2,012,389 | 2,022,371 | 2,048,506 |
| Weighted average shares, diluted | 2,103,569 | 2,028,635 | 2,055,146 | 2,079,853 |

Please note all financial schedules have been updated to reflect the restatement of certain financial results as filed with the SEC on February 26, 2010.

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 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 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 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 | <u>2,041,601</u> | <u>2,103,569</u> |
| Incremental VMware dilution | | \$ 1,150 |
| Minority interest percentage | | 18.4% |

Please note all financial schedules have been updated to reflect the restatement of certain financial results as filed with the SEC on February 26, 2010.

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 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 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

Please note all financial schedules have been updated to reflect the restatement of certain financial results as filed with the SEC on February 26, 2010.

Reconciliation of GAAP to Non-GAAP
For the Three Months Ended December 31, 2008
(in thousands, except per share amounts)
Unaudited

| | Revenue | Cost of Revenue | Research and Development | Selling, General and Administrative | IPR&D Charge | 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 | \$ 4,016,638 | \$ 1,790,954 | \$ 434,521 | \$ 1,211,120 | \$ 6,576 | \$ 240,694 | \$ 332,773 | \$ (8,797) | \$ 323,976 | \$ 36,336 | \$ 287,640 | \$ (17,718) | \$ 269,922 | \$ 0.134 | \$ 0.133 |
| Restructuring charge | - | - | - | - | - | (240,694) | 240,694 | 6,877 | 247,571 | 48,037 | 199,534 | - | 199,534 | \$ 0.099 | \$ 0.098 |
| IPR&D charge | - | - | - | - | (6,576) | - | 6,576 | - | 6,576 | 2,229 | 4,347 | (691) | 3,656 | \$ 0.002 | \$ 0.002 |
| EMC Consolidated Adjusted (1) | 4,016,638 | 1,790,954 | 434,521 | 1,211,120 | - | - | 580,043 | (1,920) | 578,123 | 86,602 | 491,521 | (18,409) | 473,112 | \$ 0.235 | \$ 0.233 |
| Stock-based compensation expense | - | (21,704) | (47,385) | (74,682) | - | - | 143,771 | - | 143,771 | 26,895 | 116,876 | (6,837) | 110,039 | \$ 0.055 | \$ 0.054 |
| Intangible amortization | - | (40,397) | (4,305) | (28,260) | - | - | 72,962 | - | 72,962 | 26,930 | 46,032 | (480) | 45,552 | \$ 0.023 | \$ 0.022 |
| EMC Consolidated Non-GAAP (2) | \$ 4,016,638 | \$ 1,728,853 | \$ 382,831 | \$ 1,108,178 | \$ - | \$ - | \$ 796,776 | \$ (1,920) | \$ 794,856 | \$ 140,427 | \$ 654,429 | \$ (25,726) | \$ 628,703 | \$ 0.312 | \$ 0.310 |

| | | | | | | | | | | | | | | | |
|--|--------------|--------------|------------|------------|------|------------|------------|------------|------------|------------|------------|------|------------|----------|----------|
| EMC Information Infrastructure GAAP | \$ 3,502,307 | \$ 1,719,162 | \$ 331,166 | \$ 982,832 | \$ - | \$ 240,694 | \$ 228,453 | \$ (5,703) | \$ 222,750 | \$ 41,639 | \$ 181,111 | \$ - | \$ 181,111 | \$ 0.090 | \$ 0.089 |
| Restructuring charge | - | - | - | - | - | (240,694) | 240,694 | 6,877 | 247,571 | 48,037 | 199,534 | - | 199,534 | \$ 0.099 | \$ 0.098 |
| EMC Information Infrastructure Adjusted (3) | 3,502,307 | 1,719,162 | 331,166 | 982,832 | - | - | 469,147 | 1,174 | 470,321 | 89,676 | 380,645 | - | 380,645 | \$ 0.189 | \$ 0.188 |
| Stock-based compensation expense | - | (16,665) | (25,274) | (52,885) | - | - | 94,824 | - | 94,824 | 20,958 | 73,866 | - | 73,866 | \$ 0.037 | \$ 0.036 |
| Intangible amortization | - | (37,253) | (4,305) | (26,705) | - | - | 68,263 | - | 68,263 | 25,248 | 43,015 | - | 43,015 | \$ 0.021 | \$ 0.021 |
| EMC Information Infrastructure Non-GAAP (4) | \$ 3,502,307 | \$ 1,665,244 | \$ 301,587 | \$ 903,242 | \$ - | \$ - | \$ 632,234 | \$ 1,174 | \$ 633,408 | \$ 135,882 | \$ 497,526 | \$ - | \$ 497,526 | \$ 0.247 | \$ 0.245 |

| | | | | | | | | | | | | | | | |
|---------------------------------------|------------|-----------|------------|------------|---------|------|------------|------------|------------|-------------|------------|-------------|------------|------------|------------|
| VMware standalone GAAP | \$ 514,603 | \$ 71,950 | \$ 110,506 | \$ 230,033 | \$ - | \$ - | \$ 102,114 | \$ (1,490) | \$ 100,624 | \$ (10,830) | \$ 111,454 | \$ - | \$ 111,454 | \$ 0.055 | \$ 0.055 |
| GAAP adjustments and eliminations | (272) | (158) | (7,151) | (1,745) | 6,576 | - | 2,206 | (1,604) | 602 | 5,527 | (4,925) | (17,718) | (22,643) | \$ (0.011) | \$ (0.011) |
| VMware within EMC GAAP (5) | 514,331 | 71,792 | 103,355 | 228,288 | 6,576 | - | 104,320 | (3,094) | 101,226 | (5,303) | 106,529 | (17,718) | 88,811 | \$ 0.044 | \$ 0.044 |
| IPR&D charge | - | - | - | - | (6,576) | - | 6,576 | - | 6,576 | 2,229 | 4,347 | (691) | 3,656 | \$ 0.002 | \$ 0.002 |
| VMware within EMC Adjusted (6) | 514,331 | 71,792 | 103,355 | 228,288 | - | - | 110,896 | (3,094) | 107,802 | (3,074) | 110,876 | (18,409) | 92,467 | \$ 0.046 | \$ 0.045 |
| Stock-based compensation expense | - | (5,039) | (22,111) | (21,797) | - | - | 48,947 | - | 48,947 | 5,937 | 43,010 | (6,837) | 36,173 | \$ 0.018 | \$ 0.018 |
| Intangible amortization | - | (3,144) | - | (1,555) | - | - | 4,699 | - | 4,699 | 1,682 | 3,017 | (480) | 2,537 | \$ 0.001 | \$ 0.001 |
| VMware within EMC Non-GAAP (7) | \$ 514,331 | \$ 63,609 | \$ 81,244 | \$ 204,936 | \$ - | \$ - | \$ 164,542 | \$ (3,094) | \$ 161,448 | \$ 4,545 | \$ 156,903 | \$ (25,726) | \$ 131,177 | \$ 0.065 | \$ 0.065 |

| | | |
|------------------------------|-----------|-----------|
| Wtd. Average Share O/S | 2,012,389 | 2,028,635 |
| Incremental VMware dilution | | \$ 268 |
| Minority interest percentage | | 15.9% |

Please note all financial schedules have been updated to reflect the restatement of certain financial results as filed with the SEC on February 26, 2010.

Reconciliation of GAAP to Non-GAAP
For the Three Months Ended December 31, 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

| | <u>Revenue</u> | <u>Cost of Revenue</u> | <u>Research and Development</u> | <u>Selling, General and Administrative</u> | <u>IPR&D Charge</u> | <u>Restructuring Charge</u> | <u>Operating Income</u> | <u>Other Income, net</u> | <u>Income Before Taxes</u> | <u>Income Tax Provision</u> | <u>Net Income</u> | <u>Net Income Attributable to VMware</u> | <u>Net Income Attributable to EMC</u> | <u>Net Income per Weighted Average Share, Basic</u> | <u>Net Income per Weighted Average Share, Diluted</u> |
|---|----------------|------------------------|---------------------------------|--|-------------------------|-----------------------------|-------------------------|--------------------------|----------------------------|-----------------------------|-------------------|--|---------------------------------------|---|---|
| Non-cash interest expense on convertible debt (8) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (26,295) | \$ (26,295) | \$ (8,233) | \$ (18,062) | \$ - | \$ (18,062) | \$ (0.009) | \$ (0.009) |

- (1) Represents EMC Consolidated GAAP excluding restructuring charge and IPR&D charge.
- (2) Represents EMC Consolidated Adjusted excluding stock-based compensation expense and intangible amortization.
- (3) Represents EMC Information Infrastructure GAAP excluding restructuring charge.
- (4) Represents EMC Information Infrastructure Adjusted less stock-based compensation expense and intangible amortization.
- (5) Represents VMware within EMC GAAP.
- (6) Represents VMware within EMC GAAP excluding IPR&D charge.
- (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.

Note: schedule may not add due to rounding

Please note all financial schedules have been updated to reflect the restatement of certain financial results as filed with the SEC on February 26, 2010.

Reconciliation of GAAP to Non-GAAP
For the Twelve 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 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 | \$ 0.025 |
| 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 | (32,986) | 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 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 | \$ (69,285) | \$ 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 | \$ 0.025 |
| 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 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 | \$ 0.097 | \$ 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 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

Incremental VMware dilution \$ 2,252

Please note all financial schedules have been updated to reflect the restatement of certain financial results as filed with the SEC on February 26, 2010.

Reconciliation of GAAP to Non-GAAP
For the Twelve 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 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) |
| | <u>\$ -</u> | <u>\$ 3,194</u> | <u>\$ 8,411</u> | <u>\$ 43,063</u> | <u>\$ -</u> | <u>\$ (54,668)</u> | <u>\$ (108,347)</u> | <u>\$ (163,015)</u> | <u>\$ (50,708)</u> | <u>\$ (112,307)</u> | <u>\$ -</u> | <u>\$ (112,307)</u> | <u>\$ (0.056)</u> | <u>\$ (0.055)</u> |

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

| | Revenue | Cost of Revenue | Research and Development | Selling, General and Administrative | IPR&D Charge | 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 | \$ 14,876,163 | \$ 6,653,794 | \$ 1,721,330 | \$ 4,601,588 | \$ 85,780 | \$ 244,735 | \$ 1,568,936 | \$ 31,289 | \$ 1,600,225 | \$ 280,396 | \$ 1,319,829 | \$ (44,725) | \$ 1,275,104 | \$ 0.622 | \$ 0.610 |
| Restructuring charge | - | - | - | - | - | (245,092) | 245,092 | 6,877 | 251,969 | 51,027 | 200,942 | - | 200,942 | \$ 0.098 | \$ 0.097 |
| IPR&D charge | - | - | - | - | (85,780) | - | 85,780 | - | 85,780 | 2,229 | 83,551 | (691) | 82,860 | \$ 0.040 | \$ 0.040 |
| Special income tax benefit | - | - | - | - | - | - | - | - | - | 17,803 | (17,803) | - | (17,803) | \$ (0.009) | \$ (0.009) |
| EMC Consolidated Adjusted (1) | 14,876,163 | 6,653,794 | 1,721,330 | 4,601,588 | - | (357) | 1,899,808 | 38,166 | 1,937,974 | 351,455 | 1,586,519 | (45,416) | 1,541,103 | \$ 0.752 | \$ 0.737 |
| Stock-based compensation expense | - | (80,126) | (162,377) | (258,936) | - | - | 501,439 | - | 501,439 | 108,811 | 392,628 | (21,412) | 371,216 | \$ 0.181 | \$ 0.178 |
| Intangible amortization | - | (158,600) | (12,986) | (108,222) | - | - | 279,808 | - | 279,808 | 97,233 | 182,575 | (1,704) | 180,871 | \$ 0.088 | \$ 0.087 |
| EMC Consolidated Non-GAAP (2) | \$ 14,876,163 | \$ 6,415,068 | \$ 1,545,967 | \$ 4,234,430 | \$ - | \$ (357) | \$ 2,681,055 | \$ 38,166 | \$ 2,719,221 | \$ 557,499 | \$ 2,161,722 | \$ (68,532) | \$ 2,093,190 | \$ 1.022 | \$ 1.003 |

| | | | | | | | | | | | | | | | |
|--|---------------|--------------|--------------|--------------|-----------|------------|--------------|-----------|--------------|------------|--------------|------|--------------|------------|------------|
| EMC Information Infrastructure GAAP | \$ 12,999,227 | \$ 6,350,213 | \$ 1,300,715 | \$ 3,773,900 | \$ 79,204 | \$ 244,735 | \$ 1,250,460 | \$ 26,937 | \$ 1,277,397 | \$ 245,048 | \$ 1,032,349 | \$ - | \$ 1,032,349 | \$ 0.504 | \$ 0.496 |
| Restructuring charge | - | - | - | - | - | (245,092) | 245,092 | 6,877 | 251,969 | 51,027 | 200,942 | - | 200,942 | \$ 0.098 | \$ 0.097 |
| IPR&D charge | - | - | - | - | (79,204) | - | 79,204 | - | 79,204 | - | 79,204 | - | 79,204 | \$ 0.039 | \$ 0.038 |
| Special income tax benefit | - | - | - | - | - | - | - | - | - | 17,803 | (17,803) | - | (17,803) | \$ (0.009) | \$ (0.009) |
| EMC Information Infrastructure Adjusted (3) | 12,999,227 | 6,350,213 | 1,300,715 | 3,773,900 | - | (357) | 1,574,756 | 33,814 | 1,608,570 | 313,878 | 1,294,692 | - | 1,294,692 | \$ 0.632 | \$ 0.622 |
| Stock-based compensation expense | - | (56,538) | (84,001) | (185,018) | - | - | 325,557 | - | 325,557 | 73,932 | 251,625 | - | 251,625 | \$ 0.123 | \$ 0.121 |
| Intangible amortization | - | (147,323) | (12,986) | (102,035) | - | - | 262,344 | - | 262,344 | 90,945 | 171,399 | - | 171,399 | \$ 0.084 | \$ 0.082 |
| EMC Information Infrastructure Non-GAAP (4) | \$ 12,999,227 | \$ 6,146,352 | \$ 1,203,728 | \$ 3,486,847 | \$ - | \$ (357) | \$ 2,162,657 | \$ 33,814 | \$ 2,196,471 | \$ 478,755 | \$ 1,717,716 | \$ - | \$ 1,717,716 | \$ 0.839 | \$ 0.826 |

| | | | | | | | | | | | | | | | |
|---------------------------------------|--------------|------------|------------|------------|---------|------|------------|----------|------------|-----------|------------|-------------|------------|------------|------------|
| VMware standalone GAAP | \$ 1,881,027 | \$ 304,105 | \$ 429,204 | \$ 835,193 | \$ - | \$ - | \$ 312,525 | \$ 6,760 | \$ 319,285 | \$ 29,152 | \$ 290,133 | \$ - | \$ 290,133 | \$ 0.142 | \$ 0.139 |
| GAAP adjustments and eliminations | (4,091) | (524) | (8,589) | (7,505) | 6,576 | - | 5,951 | (2,408) | 3,543 | 6,196 | (2,653) | (44,725) | (47,378) | \$ (0.023) | \$ (0.026) |
| VMware within EMC GAAP (5) | 1,876,936 | 303,581 | 420,615 | 827,688 | 6,576 | - | 318,476 | 4,352 | 322,828 | 35,348 | 287,480 | (44,725) | 242,755 | \$ 0.119 | \$ 0.113 |
| IPR&D charge | - | - | - | - | (6,576) | - | 6,576 | - | 6,576 | 2,229 | 4,347 | (691) | 3,656 | \$ 0.002 | \$ 0.002 |
| VMware within EMC Adjusted (6) | 1,876,936 | 303,581 | 420,615 | 827,688 | - | - | 325,052 | 4,352 | 329,404 | 37,577 | 291,827 | (45,416) | 246,411 | \$ 0.120 | \$ 0.115 |
| Stock-based compensation expense | - | (23,588) | (78,376) | (73,918) | - | - | 175,882 | - | 175,882 | 34,879 | 141,003 | (21,412) | 119,591 | \$ 0.058 | \$ 0.057 |
| Intangible amortization | - | (11,277) | - | (6,187) | - | - | 17,464 | - | 17,464 | 6,288 | 11,176 | (1,704) | 9,472 | \$ 0.005 | \$ 0.005 |
| VMware within EMC Non-GAAP (7) | \$ 1,876,936 | \$ 268,716 | \$ 342,239 | \$ 747,583 | \$ - | \$ - | \$ 518,398 | \$ 4,352 | \$ 522,750 | \$ 78,744 | \$ 444,006 | \$ (68,532) | \$ 375,474 | \$ 0.183 | \$ 0.177 |

Wtd. Average Share O/S 2,048,506 2,079,853

Incremental VMware dilution \$ 7,428

Please note all financial schedules have been updated to reflect the restatement of certain financial results as filed with the SEC on February 26, 2010.

Reconciliation of GAAP to Non-GAAP
For the Twelve Months Ended December 31, 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

| | <u>Revenue</u> | <u>Cost of Revenue</u> | <u>Research and Development</u> | <u>Selling, General and Administrative</u> | <u>IPR&D Charge</u> | <u>Restructuring Charge</u> | <u>Operating Income</u> | <u>Other Income, net</u> | <u>Income Before Taxes</u> | <u>Income Tax Provision</u> | <u>Net Income</u> | <u>Net Income Attributable to VMware</u> | <u>Net Income Attributable to EMC</u> | <u>Net Income per Weighted Average Share, Basic</u> | <u>Net Income per Weighted Average Share, Diluted</u> |
|---|----------------|------------------------|---------------------------------|--|-------------------------|-----------------------------|-------------------------|--------------------------|----------------------------|-----------------------------|-------------------|--|---------------------------------------|---|---|
| Non-cash interest expense on convertible debt (8) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (102,581) | \$ (102,581) | \$ (32,118) | \$ (70,463) | \$ - | \$ (70,463) | \$ (0.034) | \$ (0.034) |

- (1) Represents EMC Consolidated GAAP excluding restructuring charge, IPR&D charge and special income tax benefit.
(2) Represents EMC Consolidated Adjusted excluding stock-based compensation expense and intangible amortization.
(3) Represents EMC Information Infrastructure GAAP excluding restructuring charge, IPR&D charge and special income tax benefit.
(4) Represents EMC Information Infrastructure Adjusted less stock-based compensation expense and intangible amortization.
(5) Represents VMware within EMC GAAP.
(6) Represents VMware within EMC GAAP excluding IPR&D charge.
(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.

Note: schedule may not add due to rounding

Please note all financial schedules have been updated to reflect the restatement of certain financial results as filed with the SEC on February 26, 2010.

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

| | December 31, 2009 | December 31, 2008 (As Adjusted) |
|--|----------------------|---------------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 6,302,499 | \$ 5,843,685 |
| Short-term investments | 392,839 | 963,292 |
| Accounts and notes receivable, less allowance for doubtful accounts of \$47,414 and \$48,080 | 2,108,575 | 2,252,640 |
| Inventories | 886,289 | 842,803 |
| Deferred income taxes | 564,174 | 477,101 |
| Other current assets | 283,926 | 285,508 |
| Total current assets | <u>10,538,302</u> | <u>10,665,029</u> |
| Long-term investments | 2,692,323 | 2,370,493 |
| Property, plant and equipment, net | 2,224,346 | 2,223,007 |
| Intangible assets, net | 1,185,632 | 795,616 |
| Goodwill | 9,210,376 | 7,046,799 |
| Other assets, net | 961,024 | 773,631 |
| Total assets | <u>\$ 26,812,003</u> | <u>\$ 23,874,575</u> |
| LIABILITIES & SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 899,298 | \$ 757,405 |
| Accrued expenses | 1,944,210 | 1,901,884 |
| Securities lending payable | - | 412,321 |
| Income taxes payable | 41,691 | 136,802 |
| Deferred revenue | 2,262,968 | 2,010,024 |
| Total current liabilities | <u>5,148,167</u> | <u>5,218,436</u> |
| Income taxes payable | 235,976 | 255,182 |
| Deferred revenue | 1,373,798 | 1,182,360 |
| Deferred income taxes | 708,378 | 389,787 |
| Long-term convertible debt | 3,100,290 | 2,991,943 |
| Other liabilities | 184,920 | 180,917 |
| Total liabilities | <u>10,751,529</u> | <u>10,218,625</u> |
| Commitments and contingencies | | |
| Shareholders' equity: | | |
| Preferred stock, par value \$.01; authorized 25,000 shares; none outstanding | - | - |
| Common stock, par value \$.01; authorized 6,000,000 shares; issued 2,052,441 and 2,012,938 shares | 20,524 | 20,129 |
| Additional paid-in capital | 3,875,791 | 2,817,054 |
| Retained earnings | 11,759,289 | 10,671,212 |
| Accumulated other comprehensive loss, net | (105,722) | (179,952) |
| Total EMC Corporation's shareholders' equity | <u>15,549,882</u> | <u>13,328,443</u> |
| Non-controlling interest in VMware, Inc. | 510,592 | 327,507 |
| Total shareholders' equity | <u>16,060,474</u> | <u>13,655,950</u> |
| Total liabilities and shareholders' equity | <u>\$ 26,812,003</u> | <u>\$ 23,874,575</u> |

Please note all financial schedules have been updated to reflect the restatement of certain financial results as filed with the SEC on February 26, 2010.

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

| | <u>Twelve Months Ended</u> | |
|--|------------------------------------|---|
| | <u>December 31,</u> <u>2009</u> | <u>December 31,</u> <u>2008</u> (As Adjusted) |
| Cash flows from operating activities: | | |
| Cash received from customers | \$ 14,647,691 | \$ 15,378,081 |
| Cash paid to suppliers and employees | (11,032,859) | (11,747,031) |
| Dividends and interest received | 109,525 | 240,031 |
| Interest paid | (73,430) | (73,695) |
| Income taxes paid | (316,542) | (232,298) |
| Net cash provided by operating activities | <u>3,334,385</u> | <u>3,565,088</u> |
| Cash flows from investing activities: | | |
| Additions to property, plant and equipment | (411,579) | (695,899) |
| Capitalized software development costs | (304,520) | (294,973) |
| Purchases of short and long-term available for sale securities | (5,409,540) | (3,318,545) |
| Sales of short and long-term available for sale securities | 5,171,449 | 3,189,547 |
| Maturities of short and long-term available for sale securities | 704,653 | 204,091 |
| Business acquisitions, net of cash acquired | (2,664,141) | (725,521) |
| Increase in strategic and other related investments | (182,994) | (5,510) |
| Other | 1,184 | 31,878 |
| Net cash used in investing activities | <u>(3,095,488)</u> | <u>(1,614,932)</u> |
| Cash flows from financing activities: | | |
| Issuance of EMC's common stock | 366,361 | 241,060 |
| Issuance of VMware's common stock from the exercise of stock options | 227,666 | 190,107 |
| Purchase of VMware's common stock | - | (13,259) |
| Proceeds from securities lending | - | 412,321 |
| Repayments of proceeds from securities lending | (412,321) | - |
| Repurchase of EMC's common stock | - | (1,489,501) |
| Excess tax benefits from stock-based compensation | 46,082 | 97,705 |
| Payment of long-term and short-term obligations | (20,835) | (6,151) |
| Proceeds from long-term and short-term obligations | 4,969 | 33,707 |
| Net cash provided by (used in) financing activities | <u>211,922</u> | <u>(534,011)</u> |
| Effect of exchange rate changes on cash | <u>7,995</u> | <u>(54,671)</u> |
| Net increase in cash and cash equivalents | 458,814 | 1,361,474 |
| Cash and cash equivalents at beginning of period | 5,843,685 | 4,482,211 |
| Cash and cash equivalents at end of period | <u>\$ 6,302,499</u> | <u>\$ 5,843,685</u> |
| Reconciliation of net income to net cash provided by operating activities: | | |
| Net income | \$ 1,121,801 | \$ 1,319,829 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 1,073,135 | 1,057,511 |
| Non-cash interest expense on convertible debt | 108,347 | 102,581 |
| Non-cash restructuring and other special charges | 25,050 | 139,193 |
| Stock-based compensation expense | 600,537 | 501,439 |
| Provision for doubtful accounts | 14,351 | 34,667 |
| Deferred income taxes, net | 27,198 | 4,629 |
| Excess tax benefits from stock-based compensation | (46,082) | (97,705) |
| Gain on Data Domain and SpringSource common stock | (25,822) | - |
| Other | (13,906) | (13,471) |
| Changes in assets and liabilities, net of acquisitions: | | |
| Accounts and notes receivable | 241,069 | 73,184 |
| Inventories | (158,482) | 165,813 |
| Other assets | 3,600 | (16,178) |
| Accounts payable | 140,376 | (148,821) |
| Accrued expenses | (80,642) | 8,688 |
| Income taxes payable | (91,142) | 44,821 |
| Deferred revenue | 366,361 | 394,067 |
| Other liabilities | 28,636 | (5,159) |
| Net cash provided by operating activities | <u>\$ 3,334,385</u> | <u>\$ 3,565,088</u> |

Please note all financial schedules have been updated to reflect the restatement of certain financial results as filed with the SEC on February 26, 2010.

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

| | Three Months Ended | | Twelve Months Ended | |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2009 | December 31, 2008 | December 31, 2009 | December 31, 2008 |
| EMC Consolidated | | | | |
| Cash flow from Operations | \$ 1,008,657 | \$ 1,066,746 | \$ 3,334,385 | \$ 3,565,088 |
| Capital Expenditures | (133,990) | (205,833) | (411,579) | (695,899) |
| Capitalized Software | (82,088) | (85,532) | (304,520) | (294,973) |
| Free Cash Flow | <u>\$ 792,579</u> | <u>\$ 775,381</u> | <u>\$ 2,618,286</u> | <u>\$ 2,574,216</u> |
| VMware within EMC | | | | |
| Cash flow from Operations | \$ 278,316 | \$ 264,331 | \$ 941,126 | \$ 735,632 |
| Capital Expenditures | (24,248) | (58,011) | (90,352) | (176,396) |
| Capitalized Software | (15,087) | (37,005) | (68,611) | (90,900) |
| Free Cash Flow | <u>\$ 238,981</u> | <u>\$ 169,315</u> | <u>\$ 782,163</u> | <u>\$ 468,336</u> |
| EMC Information Infrastructure | | | | |
| Cash flow from Operations | \$ 730,341 | \$ 802,415 | \$ 2,393,259 | \$ 2,829,456 |
| Capital Expenditures | (109,742) | (147,822) | (321,227) | (519,503) |
| Capitalized Software | (67,001) | (48,527) | (235,909) | (204,073) |
| Free Cash Flow | <u>\$ 553,598</u> | <u>\$ 606,066</u> | <u>\$ 1,836,123</u> | <u>\$ 2,105,880</u> |

Free cash flow for the twelve months ended December 31, 2009 includes intercompany tax payments of \$93.4 million from EMC Information Infrastructure to VMware within EMC.

Please note all financial schedules have been updated to reflect the restatement of certain financial results as filed with the SEC on February 26, 2010.

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

For the three months ended December 31, 2009

| | <u>Income Before Tax</u> | <u>Tax Provision</u> | <u>Tax Rate</u> |
|---|------------------------------|--------------------------|---------------------|
| EMC Consolidated GAAP | \$ 557,285 | \$ 156,313 | 28% |
| Stock-based compensation expense | 181,597 | 36,849 | 20% |
| Intangible asset amortization | 65,903 | 21,443 | 33% |
| Restructuring and acquisition-related charges | 23,903 | 9,130 | 38% |
| Provision for litigation | 57,500 | 5,156 | 9% |
| Special income tax charge | - | (60,718) | NA |
| EMC Consolidated Non-GAAP | <u>\$ 886,188</u> | <u>\$ 168,173</u> | 19% |

For the year ended December 31, 2009

| | <u>Income Before Tax</u> | <u>Tax Provision</u> | <u>Tax Rate</u> |
|---|------------------------------|--------------------------|---------------------|
| EMC Consolidated GAAP | \$ 1,374,576 | \$ 252,775 | 18% |
| Stock-based compensation expense | 605,706 | 135,130 | 22% |
| Intangible asset amortization | 247,788 | 83,842 | 34% |
| Gain on Data Domain and SpringSource common stock | (25,822) | - | 0% |
| Restructuring and acquisition-related charges | 119,975 | 35,884 | 30% |
| Provision for litigation | 57,500 | 5,156 | 9% |
| Special income tax charge | - | (60,718) | NA |
| EMC Consolidated Non-GAAP | <u>\$ 2,379,723</u> | <u>\$ 452,069</u> | 19% |

Please note all financial schedules have been updated to reflect the restatement of certain financial results as filed with the SEC on February 26, 2010.

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

| | <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> | <u>Q4 '09</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| EMC Information Infrastructure Gross Margin GAAP | \$ 1,548,285 | \$ 1,656,440 | \$ 1,661,144 | \$ 1,783,145 | \$ 1,287,536 | \$ 1,369,676 | \$ 1,547,240 | \$ 1,879,392 |
| Less: Stock-based compensation expense | 12,136 | 12,486 | 15,251 | 16,665 | 14,233 | 15,224 | 17,608 | 20,633 |
| Intangible asset amortization | 35,888 | 36,974 | 37,208 | 37,253 | 27,853 | 27,778 | 31,228 | 32,960 |
| Restructuring-related charges | - | - | - | - | - | - | 12,485 | - |
| EMC Information Infrastructure Gross Margin Non-GAAP | <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> | <u>\$ 1,932,985</u> |
| Revenues | \$ 3,031,889 | \$ 3,221,299 | \$ 3,243,732 | \$ 3,502,307 | \$ 2,680,361 | \$ 2,802,239 | \$ 3,028,725 | \$ 3,493,623 |
| % GAAP | 51.1% | 51.4% | 51.2% | 50.9% | 48.0% | 48.9% | 51.1% | 53.8% |
| % Non-GAAP | 52.7% | 53.0% | 52.8% | 52.5% | 49.6% | 50.4% | 53.1% | 55.3% |

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

| | <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> | <u>Q4 '09</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| EMC Information Infrastructure Operating Margin GAAP | \$ 263,370 | \$ 391,523 | \$ 367,114 | \$ 228,453 | \$ 170,216 | \$ 220,545 | \$ 278,880 | \$ 514,298 |
| Less: Restructuring and acquisition-related charges | 79,204 | - | 4,398 | 240,694 | 15,572 | 33,234 | 46,493 | 23,075 |
| Provision for litigation | - | - | - | - | - | - | - | 57,500 |
| Stock-based compensation expense | 74,460 | 75,424 | 80,849 | 94,824 | 60,949 | 67,156 | 122,061 | 108,537 |
| Intangible asset amortization | 62,149 | 65,038 | 66,894 | 68,263 | 55,879 | 56,143 | 59,838 | 61,794 |
| EMC Information Infrastructure Operating Margin Non-GAAP | <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> | <u>\$ 765,204</u> |
| Revenues | \$ 3,031,889 | \$ 3,221,299 | \$ 3,243,732 | \$ 3,502,307 | \$ 2,680,361 | \$ 2,802,239 | \$ 3,028,725 | \$ 3,493,623 |
| % GAAP | 8.7% | 12.2% | 11.3% | 6.5% | 6.4% | 7.9% | 9.2% | 14.7% |
| % Non-GAAP | 15.8% | 16.5% | 16.0% | 18.1% | 11.3% | 13.5% | 16.7% | 21.9% |

Please note all financial schedules have been updated to reflect the restatement of certain financial results as filed with the SEC on February 26, 2010.

**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> | <u>Q4 2009</u> | <u>YTD 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 | \$ 2,175,104 | \$ 7,198,051 |
| Services Revenue | 808,190 | 855,221 | 851,825 | 853,539 | 3,368,775 | 790,932 | 842,558 | 880,807 | 947,061 | 3,461,358 |
| 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 | \$ 3,122,165 | \$ 10,659,409 |
| Content Management and Archiving: | | | | | | | | | | |
| Product Revenue | \$ 61,128 | \$ 73,415 | \$ 62,576 | \$ 81,054 | \$ 278,173 | \$ 58,710 | \$ 60,792 | \$ 58,209 | \$ 83,125 | \$ 260,836 |
| Services Revenue | 124,075 | 130,591 | 125,493 | 127,316 | 507,475 | 115,605 | 119,445 | 118,979 | 124,724 | 478,753 |
| Total Content Management and Archiving Revenue | \$ 185,203 | \$ 204,006 | \$ 188,069 | \$ 208,370 | \$ 785,648 | \$ 174,315 | \$ 180,237 | \$ 177,188 | \$ 207,849 | \$ 739,589 |
| Security: | | | | | | | | | | |
| Product Revenue | \$ 81,683 | \$ 89,067 | \$ 88,779 | \$ 95,534 | \$ 355,063 | \$ 80,671 | \$ 84,080 | \$ 84,080 | \$ 91,441 | \$ 340,272 |
| Services Revenue | 53,174 | 54,979 | 58,561 | 59,498 | 226,212 | 62,035 | 63,055 | 68,420 | 72,168 | 265,678 |
| Total Security Revenue | \$ 134,857 | \$ 144,046 | \$ 147,340 | \$ 155,032 | \$ 581,275 | \$ 142,706 | \$ 147,135 | \$ 152,500 | \$ 163,609 | \$ 605,950 |
| 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 | \$ 2,349,670 | \$ 7,799,159 |
| Services Revenue | 985,439 | 1,040,791 | 1,035,879 | 1,040,353 | 4,102,462 | 968,572 | 1,025,058 | 1,068,206 | 1,143,953 | 4,205,789 |
| 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 | \$ 3,493,623 | \$ 12,004,948 |
| VMware: | | | | | | | | | | |
| Product Revenue | \$ 293,980 | \$ 281,143 | \$ 285,088 | \$ 314,840 | \$ 1,175,051 | \$ 257,331 | \$ 228,089 | \$ 240,062 | \$ 303,504 | \$ 1,028,986 |
| Services Revenue | 144,190 | 171,432 | 186,772 | 199,491 | 701,885 | 213,070 | 227,024 | 248,843 | 303,039 | 991,976 |
| Total VMware Revenue | \$ 438,170 | \$ 452,575 | \$ 471,860 | \$ 514,331 | \$ 1,876,936 | \$ 470,401 | \$ 455,113 | \$ 488,905 | \$ 606,543 | \$ 2,020,962 |
| 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 | \$ 2,653,174 | \$ 8,828,145 |
| 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 | 1,446,992 | 5,197,765 |
| 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 | \$ 4,100,166 | \$ 14,025,910 |
| 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)% | 2.5% | (1.4)% |

Please note all financial schedules have been updated to reflect the restatement of certain financial results as filed with the SEC on February 26, 2010.

EMC Corporation
Constant Currency Revenue Analysis
(in thousands)
Unaudited

| <u>Consolidated Revenue</u> | <u>Q4-09 vs. Q4-08</u> |
|---|------------------------|
| Revenue growth - GAAP | 2.1% |
| Impact of constant currency | <u>-2.5%</u> |
| Revenue growth on a constant currency basis | <u><u>-0.4%</u></u> |

| <u>BRIC + 13 Revenue</u> | <u>Q4-09 vs. Q4-08</u> |
|---|------------------------|
| Revenue growth - GAAP | 5.5% |
| Impact of constant currency | <u>-4.3%</u> |
| Revenue growth on a constant currency basis | <u><u>1.2%</u></u> |

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

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