

# EMC Q4 2011 FINANCIAL RESULTS

Tony Takazawa  
Vice President, Global Investor Relations

January 24, 2012



# Forward-Looking Statements

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) the relative and varying rates of product price and component cost declines and the volume and mixture of product and services revenues; (iv) competitive factors, including but not limited to pricing pressures and new product introductions; (v) component and product quality and availability; (vi) fluctuations in VMware, Inc.’s operating results and risks associated with trading of VMware stock; (vii) the transition to new products, the uncertainty of customer acceptance of new product offerings and rapid technological and market change; (viii) 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; (ix) the ability to attract and retain highly qualified employees; (x) insufficient, excess or obsolete inventory; (xi) fluctuating currency exchange rates; (xii) threats and other disruptions to our secure data centers or networks; (xiii) our ability to protect our proprietary technology; (xiv) war or acts of terrorism; 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 Gross Margin, non-GAAP Operating Margin, non-GAAP EPS, non-GAAP Net Income, Free Cash Flow, Non-GAAP Non-Operating Expense, Non-GAAP Income Tax Rate and Non-GAAP VMware Minority Interest. A reconciliation to GAAP is included within this presentation and in the Current Report on Form 8-K furnished by EMC on January 24, 2012 which can be found at [www.EMC.com](http://www.EMC.com) or [www.sec.gov](http://www.sec.gov).

# CFO COMMENTARY

David Goulden  
Executive Vice President & CFO

# EMC Consolidated Results

|                           | FY 2011 | Growth Y/Y |
|---------------------------|---------|------------|
| Revenue                   | \$20.0B | 18%        |
| Non-GAAP Gross Margin     | 62.6%   | 220 bps    |
| Non-GAAP Operating Margin | 23.9%   | 190 bps    |
| Non-GAAP EPS              | \$1.51  | 20%        |
| Free Cash Flow            | \$4.4B  | 29%        |

Note: Free cash flow is a non-GAAP financial measure which is defined as net cash provided by operating activities, less additions to property, plant and equipment and capitalized software development costs. See attached schedules for a reconciliation of net cash provided by operating activities to free cash flow.





# TRANSFORM

IT + BUSINESS

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# EMC Information Storage

|         | Q4'11  | Growth Y/Y |
|---------|--------|------------|
| Revenue | \$4.1B | 12%        |

- Mid-tier product revenues up 24% Y/Y
- High-end product revenues up 11% Y/Y

Note: EMC's mid-tier storage products include EMC VNX, EMC CLARiiON, EMC Celerra, EMC Centera, EMC Data Domain, EMC Isilon, EMC Avamar and EMC Atmos hardware and software products.

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# High-End

- Consistent innovation has led to meaningful share gains
- Combination of FAST VP and flash is a key differentiator
  - Attach rate of FAST VP to VMAX continued to climb in Q4
  - Flash capacity sold on VMAX more than doubled Y/Y in Q4
- Addition of VMAXe expanded our addressable market

# Mid-Tier: VNX Family



VNX awarded Silver  
– Community Choice  
Award for best  
hardware: storage

Nov'11 *SQL Server Magazine*



VNX awarded Silver  
– Community Choice  
Award for best  
hardware: storage

Nov'11 *Windows IT Pro*



**#1**

VNXe wins CRN's Most  
Innovative Storage  
Technology for 2011

Oct'11



VNX and VNXe named  
one of the top 10 biggest  
storage stories of 2011

Dec'11



**#1**

VNX and VNXe won the  
Reader's Choice Award for  
Enterprise Disk systems

Dec'11




**#1**

VNX and VNXe voted the  
winners for 2012 storage  
virtualization

2012 Virtualization Review Reader's  
Choice Award and Buyers Guide


Jan'12



**#1**

VNXe named the winner  
of the most innovative  
storage product of 2012

Dec'11



**#1**

EMC voted "Storage  
Vendor of the Year for  
2011"

*"for the judges EMC's entry stood  
out above all the others"*

Nov'11

## Mid-Tier: Isilon

- Revenue growth >100% for both Q4 and FY 2011
- Gaining traction in new accounts, use cases, verticals
- Meets general-purpose data center use cases

## Mid-Tier: BRS

- Data Domain and Avamar are a winning combination
- Backup portfolio is consistently growing faster than the backup market
- Data Domain and Avamar exited 2011 at annualized run rate >\$2B

# Greenplum

- Broad appeal of the technology led to a strong Q4 with wins across a broad spectrum of industries
- New Unified Analytics Platform is industry's only unified offering for Big Data analytics

## RSA

|         | Q4'11  | Growth Y/Y |
|---------|--------|------------|
| Revenue | \$243M | 16%        |

- Holistic, agile, data-centric approach to security for the modern threat environment
- ~1,400 new SecurID customers in 2011
- Security Management and Compliance (SMC) Suite is a compelling offering

## IIG

|         | Q4'11  | Growth Y/Y |
|---------|--------|------------|
| Revenue | \$201M | -1%        |

- VCUBE makes core Documentum, Captiva and Document Sciences products available as a Private Cloud offering
- New Big Data use cases using Documentum xCP technology

# VMware

|           | Q4'11    | Growth Y/Y |
|-----------|----------|------------|
| Revenue * | \$1,059M | 27%        |

- Virtualization is a key underpinning for an enterprise infrastructure built for Cloud and Big Data
- VMware is de facto standard for virtualization in the Enterprise
- Continue to enhance capabilities in the data center as well as the application and end user layers

\* Relates to VMware revenue within EMC

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# EMC Go-to-Market

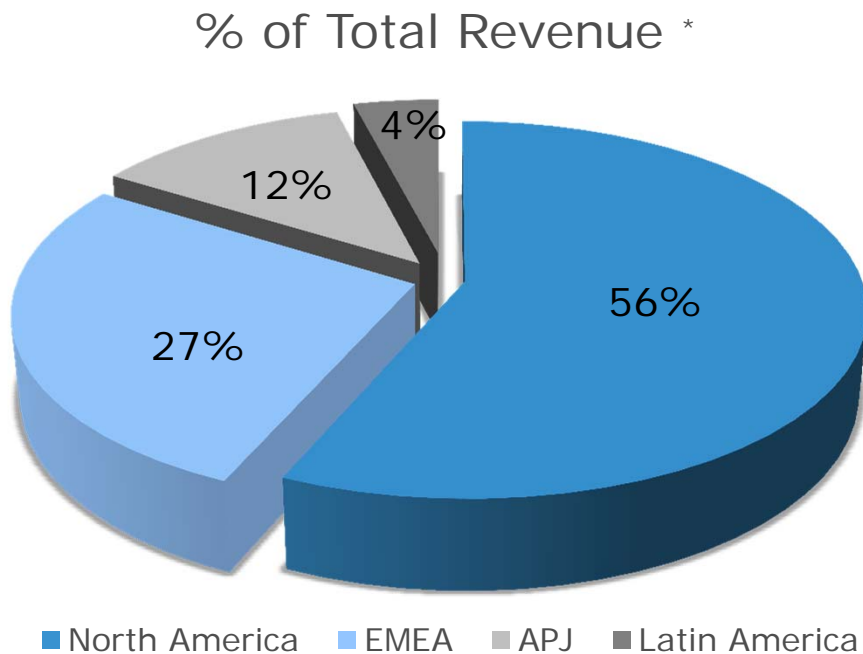
- Direct Sales Team widely recognized as best in the industry
- EMC Services helps customers drive their Cloud, Big Data and Security strategies
- Channel Partners are a key to EMC success
  - >1,700 partners sold EMC for the first time in 2011 accounting for almost 50% of channel revenue growth
  - Three largest partners grew revenue ~50% in 2011
  - Named company of the year by *CRN*
- VCE continues its strong momentum with order rate for Vblocks exceeding \$800M on an annualized basis in Q4



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# Q4'11 EMC Consolidated Results

|         | Q4'11  | Growth Y/Y |
|---------|--------|------------|
| Revenue | \$5.6B | 14%        |



U.S. revenues = 54%

|               | Y/Y Growth |
|---------------|------------|
| North America | 15%        |
| Latin America | 26%        |
| EMEA          | 6%         |
| APJ           | 26%        |

BRIC+13 markets grew 22% Y/Y

\* May not foot due to rounding.

# EMC Consolidated Results

|                           | Q4'11   | Growth Y/Y |
|---------------------------|---------|------------|
| Revenue                   | \$5.6B  | 14%        |
| Non-GAAP Gross Margin     | 64.5%   | 260 bps    |
| Non-GAAP Operating Margin | 26.3%   | 90 bps     |
| Non-GAAP Net Income       | \$1.07B | 16%        |
| Non-GAAP EPS              | \$0.49  | 17%        |



# Other Financial Commentary

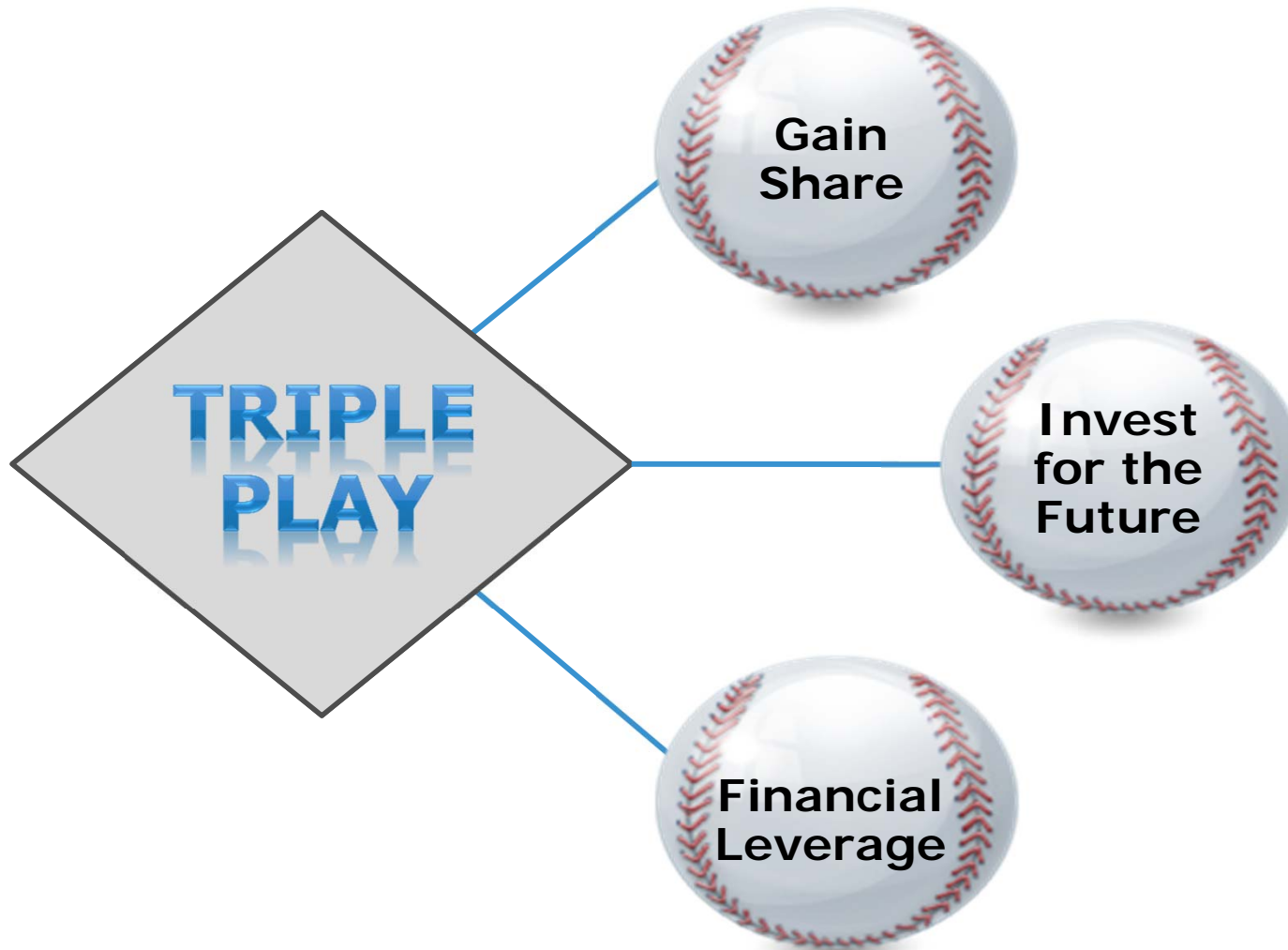
|                     | 2011    | Cash & Investments | US     | Int'l  | Total   |
|---------------------|---------|--------------------|--------|--------|---------|
| Free Cash Flow      | \$4.4B  | EMC (ex VMware)    | \$4.8B | \$1.5B | \$6.3B  |
| Non-GAAP Net Income | \$3.4B  | VMware             | \$2.4B | \$2.1B | \$4.5B  |
| FCF > Non-GAAP NI   | >\$1.0B | EMC Consolidated * | \$7.3B | \$3.6B | \$10.8B |

| Cash Use                      | Q4     | 2011     | Other             | Q4     |
|-------------------------------|--------|----------|-------------------|--------|
| EMC purchase of EMC shares    | \$101M | \$2,000M | Deferred Revenues | \$6.2B |
| EMC purchase of VMW shares    | \$58M  | \$400M   | Inventory Turns   | 8.0x   |
| VMware purchase of VMW shares | \$35M  | \$526M   | DSO               | 48     |

\* May not foot due to rounding.

Note: Free cash flow is a non-GAAP financial measure which is defined as net cash provided by operating activities, less additions to property, plant and equipment and capitalized software development costs. See attached schedules for a reconciliation of net cash provided by operating activities to free cash flow.





# EMC 2012 Financial Model

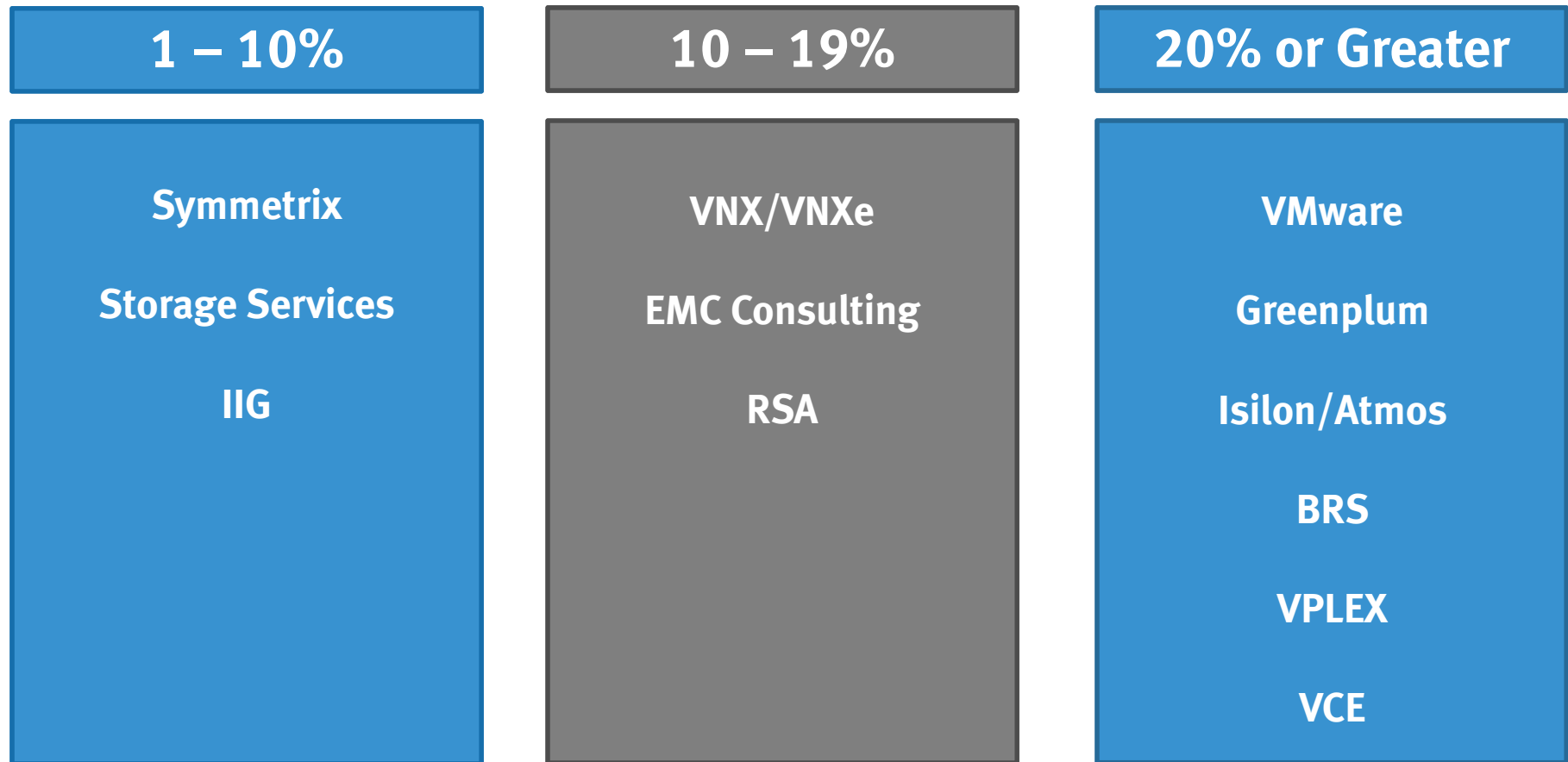
|  | <u>2012</u> |
|--|-------------|
| Revenue                                  | \$22.0B     |
| <hr/>                                    |             |
| Non-GAAP Operating Income (% of Revenue) | 24%         |
| <hr/>                                    |             |
| Non-GAAP Non-Operating Expense           | \$0.24B     |
| Non-GAAP Income Tax Rate                 | 21%         |
| Non-GAAP VMware Minority Interest        | \$0.24B     |
| <hr/>                                    |             |
| Non-GAAP Net Income Attributable to EMC  | \$3.7B      |
| <br>                                     |             |
| Incremental VMware Dilution              | \$15M       |
| Weighted Average Shares, Diluted         | 2.175B      |
| <hr/>                                    |             |
| Non-GAAP EPS *                           | \$1.70      |
| <hr/> <hr/>                              |             |

\* EPS = (Net Income Attributable to EMC – Incremental VMware Dilution) / Weighted Average Shares, Diluted

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

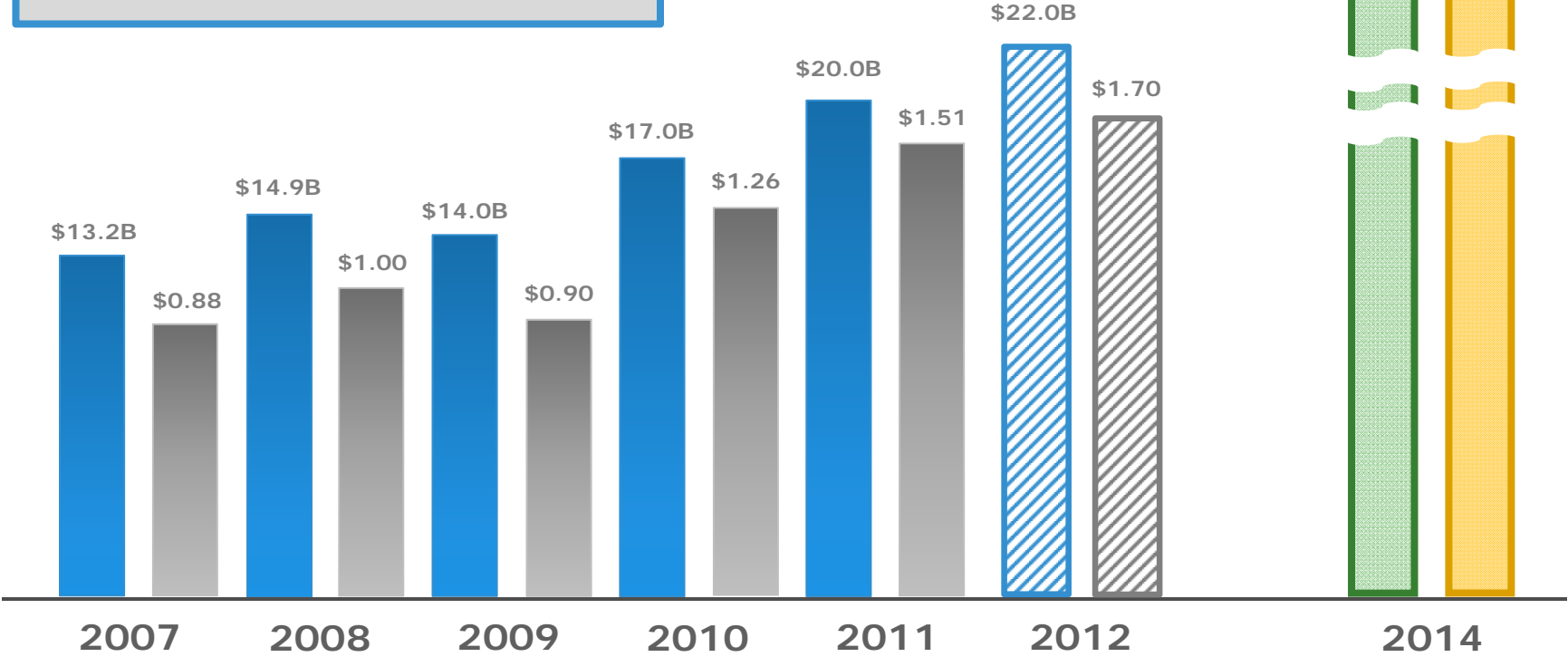


# Potential Revenue CAGR 2010-2014



# Impressive Potential

|              | 4-yr CAGR<br>(2007-2011) | 4-yr CAGR<br>(2010-2014) |
|--------------|--------------------------|--------------------------|
| Revenue      | 11%                      | 13%+                     |
| Non-GAAP EPS | 14%                      | +                        |



Refer to the schedules available at <http://www.emc.com/about/investor-relations/archived-events.htm> for a complete reconciliation of GAAP to non-GAAP results



# CEO COMMENTARY

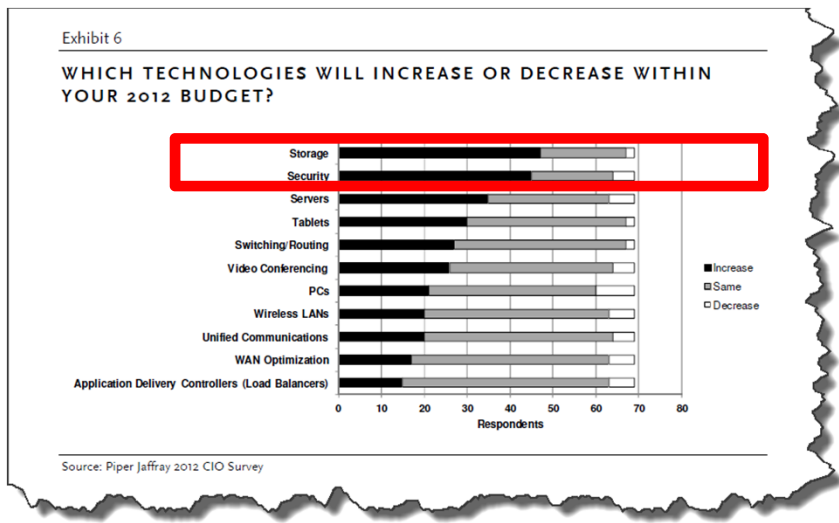
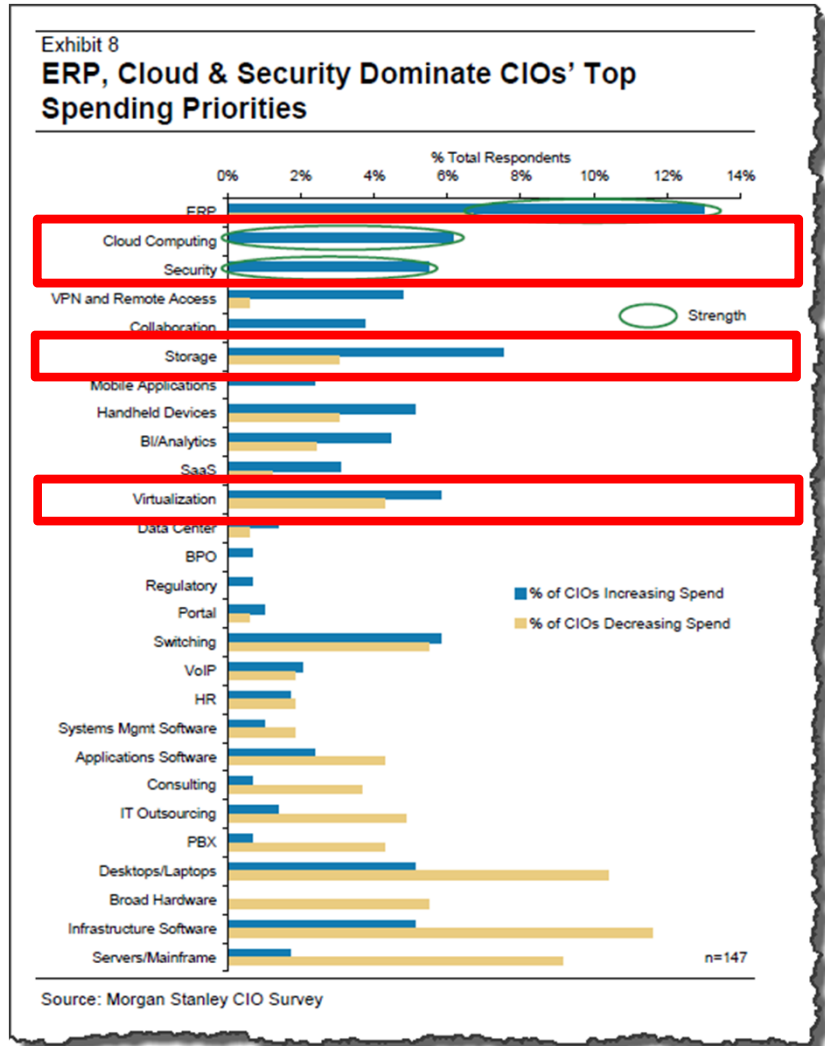
Joe Tucci  
Chairman & CEO

# 2012 IT Spending Priorities

**2012 Budget Resiliency: By positive spread**

|   |   |     |
|---|---|-----|
| 1 | Security: Network (Firewall, UTM, IPS)    | 21% |
| 2 | Software: Virtualization (Server)         | 16% |
| 3 | Hardware: Storage (SAN)                   | 12% |
| 4 | Cloud: Private                            | 11% |
| 5 | Security: Data (App Firewall, Encryption) | 8%  |
| 6 | Cloud: Public Cloud                       | 7%  |
| 6 | Hardware: Networking (10G Switch/Rout)    | 7%  |
| 8 | Hardware: PC (Desktop)                    | 6%  |
| 9 | Software: Virtualization (Desktop)        | 5%  |
| 9 | Hardware: Networking (WLAN)               | 5%  |
| 9 | Hardware: Networking (WAN Optimizatio     | 5%  |

Source: Pacific Crest Securities





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# Appendix

# VMware Incremental Dilution

$$\left( \frac{\text{VMware Net Income}}{\text{VMware Basic Shares Outstanding}} - \frac{\text{VMware Net Income}}{\text{VMware Diluted Shares Outstanding}} \right) \times \text{VMware Shares Owned by EMC} = \text{VMware Incremental Dilution}$$

For illustrative purposes only.

# 2011 Sustainability Performance

- Customer pull for evidence of EMC's commitment to Sustainability continues to increase
- 2011 returns from efficiencies include:
  - \$1M annual cost savings and rebates in Durham Data Center from fresh air cooling and other energy efficiencies\*
  - \$4.7M from innovations in packaging and logistics\*\*
  - Customer power savings from new product efficiencies
- Other 2011 investments in sustainable returns:
  - Engaged over 9,600 students globally in education for science, technology, engineering, and math
  - Optimized product take-back for efficiency and stewardship
- Public acknowledgements of performance include:
  - LEED Gold certification for corporate HQ
  - S&P 500 Carbon Disclosure Leadership Index (5<sup>th</sup> year)
  - Dow Jones Sustainability North American Index

\* In addition to much greater savings from consolidation of labs and data centers

\*\* Does not include savings from labor efficiencies

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# Accounting Impact from 2013 Convertible Debt

Share Price  
(For Illustrative  
Purposes Only)

Share Dilution related to  
Convertible Notes  
(Exercise Price: \$16.08)

|         |        |
|---------|--------|
| \$15.50 |        |
| \$16.00 |        |
| \$16.50 | 2,746  |
| \$17.00 | 5,821  |
| \$17.50 | 8,720  |
| \$18.00 | 11,458 |
| \$18.50 | 14,048 |
| \$19.00 | 16,502 |
| \$19.50 | 18,830 |
| \$20.00 | 21,041 |
| \$20.50 | 23,145 |
| \$21.00 | 25,148 |
| \$21.50 | 27,059 |
| \$22.00 | 28,882 |
| \$22.50 | 30,625 |
| \$23.00 | 32,291 |
| \$23.50 | 33,887 |
| \$24.00 | 35,416 |
| \$24.50 | 36,883 |
| \$25.00 | 38,291 |

Share Price  
(For Illustrative  
Purposes Only)

Share Dilution related to  
Convertible Notes  
(Exercise Price: \$16.08)

|         |        |
|---------|--------|
| \$25.50 | 39,644 |
| \$26.00 | 40,945 |
| \$26.50 | 42,197 |
| \$27.00 | 43,402 |
| \$27.50 | 44,564 |
| \$28.00 | 45,684 |
| \$28.50 | 46,765 |
| \$29.00 | 47,808 |
| \$29.50 | 48,817 |
| \$30.00 | 49,791 |
| \$30.50 | 50,734 |
| \$31.00 | 51,646 |
| \$31.50 | 52,529 |
| \$32.00 | 53,385 |
| \$32.50 | 54,214 |
| \$33.00 | 55,018 |
| \$33.50 | 55,799 |
| \$34.00 | 56,556 |
| \$34.50 | 57,291 |
| \$35.00 | 58,005 |

# Use of Non-GAAP financial measures

This presentation, the accompanying schedules and the additional content that is available on EMC's website contain non-GAAP financial measures. These non-GAAP financial measures, which are used as measures of EMC's performance or liquidity, should be considered in addition to, not as a substitute for, measures of EMC's financial performance or liquidity prepared in accordance with GAAP. EMC's non-GAAP financial measures may be defined differently from time to time and may be defined differently than similar terms used by other companies, and accordingly, care should be exercised in understanding how EMC defines its non-GAAP financial measures in this presentation.

Where specified in the accompanying schedules for various periods entitled "Reconciliation of GAAP to Non-GAAP," certain items noted on each such specific schedule (including, where noted, amounts relating to stock-based compensation expense, intangible asset amortization, restructuring and acquisition-related charges, a special income tax charge, an RSA special charge, a gain on strategic investments, and the amortization of VMware's capitalized software from prior periods beginning in 2012) are excluded from the non-GAAP financial measures.

EMC's management uses the non-GAAP financial measures in the accompanying schedules to gain an understanding of EMC's comparative operating performance (when comparing such results with previous periods or forecasts) and future prospects and excludes the above-listed items from its internal financial statements for purposes of its internal budgets and each reporting segment's financial goals. These non-GAAP financial measures are used by EMC's management in their financial and operating decision-making because management believes they reflect EMC's ongoing business in a manner that allows meaningful period-to-period comparisons. EMC's management believes that these non-GAAP financial measures provide useful information to investors and others (a) in understanding and evaluating EMC's current operating performance and future prospects in the same manner as management does, if they so choose, and (b) in comparing in a consistent manner the Company's current financial results with the Company's past financial results.

This presentation also includes disclosures regarding free cash flow which is a non-GAAP financial measure. Free cash flow is defined as net cash provided by operating activities less additions to property, plant and equipment and capitalized software development costs. EMC uses free cash flow, among other measures, to evaluate the ability of its operations to generate cash that is available for purposes other than capital expenditures and capitalized software development costs. Management believes that information regarding free cash flow provides investors with an important perspective on the cash available to make strategic acquisitions and investments, repurchase shares, service debt and fund ongoing operations. As free cash flow is not a measure of liquidity calculated in accordance with GAAP, free cash flow should be considered in addition to, but not as a substitute for, the analysis provided in the statement of cash flows.

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

# Reconciliation of GAAP to Non-GAAP Outlook

*The following statements are based on current expectations. These statements are forward-looking, and actual results may differ materially. These statements do not give effect to the potential impact of mergers, acquisitions, divestitures or business combinations that may be announced or closed after the date hereof. These statements supersede all prior statements made by EMC regarding 2012 financial results.*

All dollar amounts and percentages set forth below should be considered to be approximations.

Consolidated revenues are expected to be \$22.0 billion for 2012.

Consolidated GAAP operating income is expected to be 17% of revenues for 2012 and consolidated non-GAAP operating income is expected to be 24% of revenues for 2012. Excluded from consolidated non-GAAP operating income are stock-based compensation expense, intangible asset amortization, restructuring and acquisition-related charges and the amortization of VMware's software capitalization from prior periods, which account for 4%, 1.5%, less than 1% and less than 0.5% of revenues, respectively.

Total consolidated GAAP non-operating expense, which includes investment income, interest expense and other income and expense, is expected to be \$245 million in 2012 and total consolidated non-GAAP non-operating expense is expected to be \$240 million in 2012. Excluded from non-GAAP non-operating expense is stock-based compensation expense of \$5 million.

Consolidated GAAP net income attributable to EMC is expected to be \$2.7 billion in 2012 and consolidated non-GAAP net income attributable to EMC is expected to be \$3.7 billion in 2012. Excluded from consolidated non-GAAP net income attributable to EMC are stock-based compensation expense, intangible asset amortization, restructuring and acquisition-related charges and the amortization of VMware's software capitalization from prior periods, which account for \$650 million, \$225 million, \$90 million and \$30 million, respectively.

Consolidated GAAP earnings per weighted average diluted share are expected to be \$1.24 for 2012 and consolidated non-GAAP earnings per weighted average diluted share are expected to be \$1.70 for 2012. Excluded from consolidated non-GAAP earnings per weighted average diluted share are stock-based compensation expense, intangible asset amortization, restructuring and acquisition-related charges and the amortization of VMware's software capitalization from prior periods, which account for \$0.30, \$0.11, \$0.04 and \$0.01 per weighted average diluted share, respectively.

The consolidated GAAP income tax rate is expected to be 19% for 2012. Excluding the impact of stock-based compensation expense, intangible asset amortization, restructuring and acquisition-related charges and the amortization of VMware's software capitalization from prior periods, which collectively impact the tax rate by 2%, the consolidated non-GAAP income tax rate is expected to be 21% for 2012. This assumes that the U.S. research and development tax credit for 2012 is extended in the fourth quarter of 2012.

GAAP net income attributable to the non-controlling interest in VMware is expected to be \$153 million and non-GAAP net income attributable to the non-controlling interest in VMware is expected to be \$240 million for 2012. Excluded from non-GAAP net income attributable to the non-controlling interest in VMware are stock-based compensation expense, intangible asset amortization and the amortization of VMware's software capitalization from prior periods, which account for \$68 million, \$11 million and \$8 million, respectively. The incremental dilution attributable to the shares of VMware held by EMC is expected to be \$15 million for 2012.

The weighted-average outstanding diluted shares are expected to be 2.175 billion for 2012.

EMC expects to repurchase \$700 million of the company's common stock in 2012.



# Trademarks

EMC, Atmos, Avamar, Captiva, Celerra, Centera, CLARiiON, Data Domain, Document Sciences, Documentum, Greenplum, Isilon, RSA, SecurID, Symmetrix, VMAX, VMAXe, VNX, VNXe and VPLEX are either registered trademarks or trademarks of EMC Corporation in the United States and/or other countries. VMware is a registered trademark or trademark of VMware, Inc. in the United States and/or other countries. All other trademarks used are the property of their respective owners.

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

|  | Three Months Ended   |                      | Twelve Months Ended  |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | December 31,<br>2011 | December 31,<br>2010 | December 31,<br>2011 | December 31,<br>2010 |
| Revenues:  |                      |                      |                      |                      |
| Product sales  | \$ 3,541,132         | \$ 3,184,899         | \$ 12,590,742        | \$ 10,892,857        |
| Services   | 2,033,299            | 1,703,767            | 7,416,846            | 6,122,269            |
|  | <u>5,574,431</u>     | <u>4,888,666</u>     | <u>20,007,588</u>    | <u>17,015,126</u>    |
| Cost and expenses:   |                      |                      |                      |                      |
| Cost of product sales  | 1,402,733            | 1,368,070            | 5,319,761            | 4,882,031            |
| Cost of services   | 648,359              | 554,307              | 2,518,885            | 2,102,114            |
| Research and development   | 560,767              | 492,093              | 2,149,787            | 1,888,015            |
| Selling, general and administrative  | 1,794,848            | 1,487,045            | 6,479,382            | 5,375,305            |
| Restructuring and acquisition-related charges  | 28,923               | 43,473               | 97,334               | 84,375               |
|  | <u>1,138,801</u>     | <u>943,678</u>       | <u>3,442,439</u>     | <u>2,683,286</u>     |
| Operating income   |                      |                      |                      |                      |
|  | 1,138,801            | 943,678              | 3,442,439            | 2,683,286            |
| Non-operating income (expense):  |                      |                      |                      |                      |
| Investment income  | 22,742               | 38,338               | 129,248              | 142,536              |
| Interest expense   | (34,689)             | (45,806)             | (170,466)            | (178,345)            |
| Other expense, net   | (79,335)             | (26,780)             | (151,951)            | (39,494)             |
| Total non-operating expense  | <u>(91,282)</u>      | <u>(34,248)</u>      | <u>(193,169)</u>     | <u>(75,303)</u>      |
| Income before provision for income taxes   | 1,047,519            | 909,430              | 3,249,270            | 2,607,983            |
| Income tax provision   | <u>174,929</u>       | <u>257,005</u>       | <u>640,385</u>       | <u>638,297</u>       |
| Net income   | 872,590              | 652,425              | 2,608,885            | 1,969,686            |
| Less: Net income attributable to the non-controlling interest in VMware, Inc.                      | <u>(40,544)</u>      | <u>(23,866)</u>      | <u>(147,548)</u>     | <u>(69,691)</u>      |
| Net income attributable to EMC Corporation   | <u>\$ 832,046</u>    | <u>\$ 628,559</u>    | <u>\$ 2,461,337</u>  | <u>\$ 1,899,995</u>  |
| Net income per weighted average share, basic attributable to EMC Corporation common shareholders   | <u>\$ 0.41</u>       | <u>\$ 0.30</u>       | <u>\$ 1.20</u>       | <u>\$ 0.92</u>       |
| Net income per weighted average share, diluted attributable to EMC Corporation common shareholders | <u>\$ 0.38</u>       | <u>\$ 0.29</u>       | <u>\$ 1.10</u>       | <u>\$ 0.88</u>       |
| Weighted average shares, basic   | 2,041,587            | 2,064,683            | 2,055,536            | 2,055,959            |
| Weighted average shares, diluted   | 2,182,933            | 2,192,996            | 2,229,113            | 2,147,931            |

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

|   | December 31,<br>2011 | December 31,<br>2010 |
|---|----------------------|----------------------|
| <b>ASSETS</b>   |                      |                      |
| Current assets:   |                      |                      |
| Cash and cash equivalents   | \$ 4,531,036         | \$ 4,119,138         |
| Short-term investments  | 1,786,987            | 1,256,175            |
| Accounts and notes receivable, less allowance<br>for doubtful accounts of \$61,804 and \$57,385                       | 2,937,499            | 2,569,523            |
| Inventories   | 1,009,968            | 856,405              |
| Deferred income taxes   | 733,308              | 609,832              |
| Other current assets  | 583,885              | 372,249              |
| Total current assets  | 11,582,683           | 9,783,322            |
| Long-term investments   | 4,525,106            | 4,170,742            |
| Property, plant and equipment, net  | 2,833,149            | 2,528,432            |
| Intangible assets, net  | 1,766,115            | 1,624,267            |
| Goodwill  | 12,154,970           | 11,772,650           |
| Other assets, net   | 1,406,156            | 953,871              |
| Total assets  | \$ 34,268,179        | \$ 30,833,284        |
| <br><b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>   |                      |                      |
| Current liabilities:  |                      |                      |
| Accounts payable  | \$ 1,101,659         | \$ 1,062,600         |
| Accrued expenses  | 2,354,979            | 2,090,035            |
| Notes converted and payable   | 1,699,832            | -                    |
| Income taxes payable  | 155,909              | 199,735              |
| Convertible debt  | 1,605,142            | 3,214,771            |
| Deferred revenue  | 3,458,689            | 2,810,873            |
| Total current liabilities   | 10,376,210           | 9,378,014            |
| Income taxes payable  | 238,851              | 265,549              |
| Deferred revenue  | 2,715,361            | 1,853,263            |
| Deferred income taxes   | 603,398              | 717,004              |
| Other liabilities   | 287,912              | 217,449              |
| Total liabilities   | 14,221,732           | 12,431,279           |
| Convertible debt  | 119,325              | 235,229              |
| Commitments and contingencies   |                      |                      |
| Shareholders' equity:   |                      |                      |
| Preferred stock, par value \$0.01; authorized 25,000<br>shares; none outstanding                                      | -                    | -                    |
| Common stock, par value \$0.01; authorized 6,000,000<br>shares; issued and outstanding 2,048,890 and 2,069,246 shares | 20,489               | 20,692               |
| Additional paid-in capital  | 3,052,932            | 3,816,681            |
| Retained earnings   | 16,120,621           | 13,659,284           |
| Accumulated other comprehensive loss, net   | (235,009)            | (92,617)             |
| Total EMC Corporation's shareholders' equity  | 18,959,033           | 17,404,040           |
| Non-controlling interest in VMware, Inc.  | 968,089              | 762,736              |
| Total shareholders' equity  | 19,927,122           | 18,166,776           |
| Total liabilities and shareholders' equity  | \$ 34,268,179        | \$ 30,833,284        |

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

|  | <b>Twelve Months Ended</b>   |                              |
|--|------------------------------|------------------------------|
|  | <b>December 31,<br/>2011</b> | <b>December 31,<br/>2010</b> |
| <b>Cash flows from operating activities:</b>   |                              |                              |
| Cash received from customers   | \$ 21,144,690                | \$ 17,585,447                |
| Cash paid to suppliers and employees   | (15,218,678)                 | (12,830,684)                 |
| Dividends and interest received  | 135,971                      | 102,912                      |
| Interest paid  | (70,071)                     | (76,711)                     |
| Income taxes paid  | (323,097)                    | (232,121)                    |
| Net cash provided by operating activities  | <u>5,668,815</u>             | <u>4,548,843</u>             |
| <b>Cash flows from investing activities:</b>   |                              |                              |
| Additions to property, plant and equipment   | (801,375)                    | (745,412)                    |
| Capitalized software development costs   | (442,341)                    | (362,956)                    |
| Purchases of short- and long-term available-for-sale securities                          | (7,180,169)                  | (6,329,894)                  |
| Sales of short- and long-term available-for-sale securities                              | 5,121,454                    | 3,625,260                    |
| Maturities of short- and long-term available-for-sale securities                         | 1,130,321                    | 437,297                      |
| Business acquisitions, net of cash acquired  | (536,624)                    | (3,194,611)                  |
| (Increase) decrease in strategic and other related investments                           | (300,476)                    | 123,867                      |
| Purchase of leasehold interest   | (151,083)                    | -                            |
| VCE company funding  | (383,211)                    | (29,600)                     |
| Net cash used in investing activities  | <u>(3,543,504)</u>           | <u>(6,476,049)</u>           |
| <b>Cash flows from financing activities:</b>   |                              |                              |
| Issuance of EMC's common stock from the exercise of stock options                        | 673,389                      | 780,732                      |
| Issuance of VMware's common stock from the exercise of stock options                     | 337,618                      | 431,306                      |
| EMC repurchase of EMC's common stock   | (1,999,968)                  | (999,924)                    |
| EMC purchase of VMware's common stock  | (399,984)                    | (399,224)                    |
| VMware repurchase of VMware's common stock   | (526,203)                    | (338,527)                    |
| Excess tax benefits from stock-based compensation  | 361,632                      | 281,872                      |
| Payment of long-term and short-term obligations  | (27,089)                     | (4,128)                      |
| Proceeds from long-term and short-term obligations                                       | 3,096                        | 4,066                        |
| Interest rate contracts settlement   | (140,993)                    | -                            |
| Net cash used in financing activities  | <u>(1,718,502)</u>           | <u>(243,827)</u>             |
| Effect of exchange rate changes on cash and cash equivalents                             | <u>5,089</u>                 | <u>(12,328)</u>              |
| Net increase (decrease) in cash and cash equivalents                                     | 411,898                      | (2,183,361)                  |
| Cash and cash equivalents at beginning of period   | 4,119,138                    | 6,302,499                    |
| Cash and cash equivalents at end of period   | <u>\$ 4,531,036</u>          | <u>\$ 4,119,138</u>          |
| <b>Reconciliation of net income to net cash provided by operating activities:</b>        |                              |                              |
| Net income   | \$ 2,608,885                 | \$ 1,969,686                 |
| <b>Adjustments to reconcile net income to net cash provided by operating activities:</b> |                              |                              |
| Depreciation and amortization  | 1,421,598                    | 1,167,550                    |
| Non-cash interest expense on convertible debt  | 102,907                      | 105,649                      |
| Non-cash restructuring and other special charges   | (1,484)                      | 6,861                        |
| Stock-based compensation expense   | 822,576                      | 667,728                      |
| Provision for doubtful accounts  | 20,255                       | 18,965                       |
| Deferred income taxes, net   | (19,423)                     | (49,787)                     |
| Excess tax benefits from stock-based compensation  | (361,632)                    | (281,872)                    |
| Other, net   | 4,573                        | (21,250)                     |
| <b>Changes in assets and liabilities, net of acquisitions:</b>                           |                              |                              |
| Accounts and notes receivable  | (391,672)                    | (405,758)                    |
| Inventories  | (393,156)                    | (114,111)                    |
| Other assets   | (61,830)                     | (54,469)                     |
| Accounts payable   | 34,871                       | 154,496                      |
| Accrued expenses   | 158,467                      | 4,162                        |
| Income taxes payable   | 336,711                      | 455,964                      |
| Deferred revenue   | 1,508,520                    | 957,114                      |
| Other liabilities  | (121,351)                    | (32,085)                     |
| Net cash provided by operating activities  | <u>\$ 5,668,815</u>          | <u>\$ 4,548,843</u>          |

**EMC Corporation**  
**Reconciliation of GAAP to Non-GAAP\***  
(in thousands, except per share amounts)  
Unaudited

|  | <b>Three Months Ended</b>    |   |                              |   |
|--|------------------------------|---|------------------------------|---|
|  | <b>December 31,<br/>2011</b> | <b>Diluted<br/>Earnings<br/>Per Share</b> | <b>December 31,<br/>2010</b> | <b>Diluted<br/>Earnings<br/>Per Share</b> |
| Net Income Attributable to EMC GAAP            | \$ 832,046                   | \$ 0.380                                  | \$ 628,559                   | \$ 0.285                                  |
| Stock-based compensation expense               | 151,809                      | 0.070                                     | 126,912                      | 0.058                                     |
| Intangible asset amortization                  | 56,124                       | 0.026                                     | 44,623                       | 0.020                                     |
| Restructuring and acquisition-related charges  | 25,220                       | 0.012                                     | 36,652                       | 0.017                                     |
| RSA special charge                             | -                            | -   | -                            | -   |
| Gain on strategic investments                  | -                            | -   | -                            | -   |
| Special income tax charge                      | -                            | -   | 83,331                       | 0.038                                     |
| <b>Net Income Attributable to EMC Non-GAAP</b> | <b>\$ 1,065,199</b>          | <b>\$ 0.487</b>                           | <b>\$ 920,077</b>            | <b>\$ 0.418</b>                           |
| Weighted Average Shares, Diluted               |                              | 2,182,933                                 |                              | 2,192,996                                 |
| Incremental VMware Dilution                    |                              | \$ 3,154                                  |                              | \$ 2,909                                  |

|  | <b>Twelve Months Ended</b>   |   |                              |   |
|--|------------------------------|---|------------------------------|---|
|  | <b>December 31,<br/>2011</b> | <b>Diluted<br/>Earnings<br/>Per Share</b> | <b>December 31,<br/>2010</b> | <b>Diluted<br/>Earnings<br/>Per Share</b> |
| Net Income Attributable to EMC GAAP            | \$ 2,461,337                 | \$ 1.098                                  | \$ 1,899,995                 | \$ 0.880                                  |
| Stock-based compensation expense               | 587,040                      | 0.263                                     | 472,663                      | 0.220                                     |
| Intangible asset amortization                  | 223,937                      | 0.100                                     | 187,329                      | 0.087                                     |
| Restructuring and acquisition-related charges  | 80,944                       | 0.036                                     | 72,018                       | 0.034                                     |
| RSA special charge                             | 56,222                       | 0.025                                     | -                            | -   |
| Gain on strategic investments                  | (28,938)                     | (0.013)                                   | -                            | -   |
| Special income tax charge                      | -                            | -   | 83,331                       | 0.039                                     |
| <b>Net Income Attributable to EMC Non-GAAP</b> | <b>\$ 3,380,542</b>          | <b>\$ 1.510</b>                           | <b>\$ 2,715,336</b>          | <b>\$ 1.260</b>                           |
| Weighted Average Shares, Diluted               |                              | 2,229,113                                 |                              | 2,147,931                                 |
| Incremental VMware Dilution                    |                              | \$ 14,082                                 |                              | \$ 9,267                                  |

|                           | <b>Three Months Ended</b>    |                              | <b>Twelve Months Ended</b>   |                              |
|---------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                           | <b>December 31,<br/>2011</b> | <b>December 31,<br/>2010</b> | <b>December 31,<br/>2011</b> | <b>December 31,<br/>2010</b> |
| Cash flow from Operations | \$ 2,184,218                 | \$ 1,512,237                 | \$ 5,668,815                 | \$ 4,548,843                 |
| Capital Expenditures      | (200,198)                    | (203,546)                    | (801,375)                    | (745,412)                    |
| Capitalized Software      | (100,250)                    | (90,464)                     | (442,341)                    | (362,956)                    |
| <b>Free Cash Flow</b>     | <b>\$ 1,883,770</b>          | <b>\$ 1,218,227</b>          | <b>\$ 4,425,099</b>          | <b>\$ 3,440,475</b>          |

\* Net of tax and non-controlling interest in VMware, Inc., except Weighted Average Shares, Diluted. See Income Tax Provision and Net Income Attributable to VMware lines in Supplemental Information schedules.

Note: Schedule may not add due to rounding.

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

|   | <b>Three Months Ended</b>    |                              | <b>Twelve Months Ended</b>   |                              |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
|   | <b>December 31,<br/>2011</b> | <b>December 31,<br/>2010</b> | <b>December 31,<br/>2011</b> | <b>December 31,<br/>2010</b> |
| Gross Margin GAAP                             | \$ 3,523,339                 | \$ 2,966,289                 | \$ 12,168,942                | \$ 10,030,981                |
| Stock-based compensation expense              | 31,720                       | 28,899                       | 123,677                      | 108,653                      |
| Intangible asset amortization                 | 40,757                       | 33,221                       | 157,191                      | 131,760                      |
| Restructuring and acquisition-related charges | -                            | -                            | -                            | -                            |
| RSA special charge                            | -                            | -                            | 66,300                       | -                            |
| Gross Margin Non-GAAP                         | <u>\$ 3,595,816</u>          | <u>\$ 3,028,409</u>          | <u>\$ 12,516,110</u>         | <u>\$ 10,271,394</u>         |
| Revenues                                      | \$ 5,574,431                 | \$ 4,888,666                 | \$ 20,007,588                | \$ 17,015,126                |
| Gross Margin Percentages:                     |                              |                              |                              |                              |
| GAAP  | 63.2%                        | 60.7%                        | 60.8%                        | 59.0%                        |
| Non-GAAP                                      | 64.5%                        | 61.9%                        | 62.6%                        | 60.4%                        |

|   | <b>Three Months Ended</b>    |                              | <b>Twelve Months Ended</b>   |                              |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
|   | <b>December 31,<br/>2011</b> | <b>December 31,<br/>2010</b> | <b>December 31,<br/>2011</b> | <b>December 31,<br/>2010</b> |
| Operating Margin GAAP                         | \$ 1,138,801                 | \$ 943,678                   | \$ 3,442,439                 | \$ 2,683,286                 |
| Stock-based compensation expense              | 213,945                      | 185,393                      | 836,171                      | 685,053                      |
| Intangible asset amortization                 | 86,155                       | 70,406                       | 341,796                      | 285,282                      |
| Restructuring and acquisition-related charges | 28,923                       | 43,473                       | 97,334                       | 84,375                       |
| RSA special charge                            | -                            | -                            | 66,300                       | -                            |
| Operating Margin Non-GAAP                     | <u>\$ 1,467,824</u>          | <u>\$ 1,242,950</u>          | <u>\$ 4,784,040</u>          | <u>\$ 3,737,996</u>          |
| Revenues                                      | \$ 5,574,431                 | \$ 4,888,666                 | \$ 20,007,588                | \$ 17,015,126                |
| Operating Margin Percentages:                 |                              |                              |                              |                              |
| GAAP  | 20.4%                        | 19.3%                        | 17.2%                        | 15.8%                        |
| Non-GAAP                                      | 26.3%                        | 25.4%                        | 23.9%                        | 22.0%                        |

**Supplemental Information**  
**For the Three Months Ended December 31, 2011**  
(in thousands)  
**Unaudited**

|   | Stock-based<br>Compensation<br>Expense | Intangible Asset<br>Amortization | Restructuring<br>and Acquisition-<br>Related<br>Charges | Total       |
|---|--|----------------------------------|---|-------------|
| <b>EMC Consolidated</b>                       |  |                                  |   |             |
| Cost of revenue                               | \$ (31,720)                            | \$ (40,757)                      | \$ -  | \$ (72,477) |
| Research and development                      | (71,246)                               | (3,914)                          | -   | (75,160)    |
| Selling, general and administrative           | (110,979)                              | (41,484)                         | -   | (152,463)   |
| Restructuring and acquisition-related charges | -                                      | -                                | (28,923)  | (28,923)    |
| Other expense, net                            | (616)                                  | -                                | -   | (616)       |
| Income tax provision                          | 47,580                                 | 27,273                           | 3,663   | 78,516      |
| Net income attributable to VMware             | (13,940)                               | (2,758)                          | (40)  | (16,738)    |
| <b>EMC Information Infrastructure</b>         |  |                                  |   |             |
| Cost of revenue                               | \$ (22,122)                            | \$ (27,014)                      | \$ -  | \$ (49,136) |
| Research and development                      | (31,603)                               | (3,117)                          | -   | (34,720)    |
| Selling, general and administrative           | (76,191)                               | (38,582)                         | -   | (114,773)   |
| Restructuring and acquisition-related charges | -                                      | -                                | (28,726)  | (28,726)    |
| Other expense, net                            | (616)                                  | -                                | -   | (616)       |
| Income tax provision                          | 32,463                                 | 23,465                           | 3,663   | 59,591      |
| Net income attributable to VMware             | -                                      | -                                | -   | -           |
| <b>VMware within EMC</b>                      |  |                                  |   |             |
| Cost of revenue                               | \$ (9,598)                             | \$ (13,743)                      | \$ -  | \$ (23,341) |
| Research and development                      | (39,643)                               | (797)                            | -   | (40,440)    |
| Selling, general and administrative           | (34,788)                               | (2,902)                          | -   | (37,690)    |
| Restructuring and acquisition-related charges | -                                      | -                                | (197)   | (197)       |
| Other expense, net                            | -                                      | -                                | -   | -           |
| Income tax provision                          | 15,117                                 | 3,808                            | -   | 18,925      |
| Net income attributable to VMware             | (13,940)                               | (2,758)                          | (40)  | (16,738)    |

**Supplemental Information**  
**For the Three Months Ended December 31, 2010**  
(in thousands)  
**Unaudited**

|   | <u>Stock-based<br/>Compensation<br/>Expense</u> | <u>Intangible Asset<br/>Amortization</u> | <u>Restructuring<br/>and Acquisition-<br/>Related<br/>Charges</u> | <u>Special Income<br/>Tax Charge</u> | <u>Total</u> |
|---|---|--|---|--------------------------------------|--------------|
| <b>EMC Consolidated</b>                       |   |  |   |                                      |              |
| Cost of revenue                               | \$ (28,899)                                     | \$ (33,221)                              | \$ -  | \$ -                                 | \$ (62,120)  |
| Research and development                      | (71,155)  | (6,286)                                  | -   | -                                    | (77,441)     |
| Selling, general and administrative           | (85,339)  | (30,899)                                 | -   | -                                    | (116,238)    |
| Restructuring and acquisition-related charges | -   | -  | (43,473)  | -                                    | (43,473)     |
| Other expense, net                            | 500   | -  | -   | -                                    | 500          |
| Income tax provision                          | 45,230  | 24,074                                   | 6,791   | (83,331)                             | (7,236)      |
| Net income attributable to VMware             | (13,751)  | (1,709)                                  | (30)  | -                                    | (15,490)     |
| <b>EMC Information Infrastructure</b>         |   |  |   |                                      |              |
| Cost of revenue                               | \$ (17,383)                                     | \$ (23,375)                              | \$ -  | \$ -                                 | \$ (40,758)  |
| Research and development                      | (24,236)  | (5,659)                                  | -   | -                                    | (29,895)     |
| Selling, general and administrative           | (52,341)  | (29,197)                                 | -   | -                                    | (81,538)     |
| Restructuring and acquisition-related charges | -   | -  | (43,148)  | -                                    | (43,148)     |
| Other expense, net                            | 500   | -  | -   | -                                    | 500          |
| Income tax provision                          | 22,863  | 20,481                                   | 6,616   | (83,331)                             | (33,371)     |
| Net income attributable to VMware             | -   | -  | -   | -                                    | -            |
| <b>VMware within EMC</b>                      |   |  |   |                                      |              |
| Cost of revenue                               | \$ (11,516)                                     | \$ (9,846)                               | \$ -  | \$ -                                 | \$ (21,362)  |
| Research and development                      | (46,919)  | (627)                                    | -   | -                                    | (47,546)     |
| Selling, general and administrative           | (32,998)  | (1,702)                                  | -   | -                                    | (34,700)     |
| Restructuring and acquisition-related charges | -   | -  | (325)   | -                                    | (325)        |
| Other expense, net                            | -   | -  | -   | -                                    | -            |
| Income tax provision                          | 22,367  | 3,593                                    | 175   | -                                    | 26,135       |
| Net income attributable to VMware             | (13,751)  | (1,709)                                  | (30)  | -                                    | (15,490)     |

**Supplemental Information**  
**For the Twelve Months Ended December 31, 2011**  
(in thousands)  
**Unaudited**

|   | Stock-based<br>Compensation<br>Expense | Intangible Asset<br>Amortization | Restructuring<br>and Acquisition-<br>Related<br>Charges | RSA Special<br>Charge | Gain on<br>Strategic<br>Investments | Total        |
|---|--|----------------------------------|---|-----------------------|-------------------------------------|--------------|
| <b>EMC Consolidated</b>                       |  |                                  |   |                       |                                     |              |
| Cost of revenue                               | \$ (123,677)                           | \$ (157,191)                     | \$ -  | \$ (66,300)           | \$ -                                | \$ (347,168) |
| Research and development                      | (299,255)                              | (16,409)                         | -   | -                     | -                                   | (315,664)    |
| Selling, general and administrative           | (413,239)                              | (168,196)                        | -   | -                     | -                                   | (581,435)    |
| Restructuring and acquisition-related charges | -                                      | -                                | (97,334)  | -                     | -                                   | (97,334)     |
| Other expense, net                            | 3,818                                  | -                                | -   | -                     | (56,000)                            | (52,182)     |
| Income tax provision                          | 194,594                                | 107,902                          | 15,894  | 10,078                | (19,600)                            | 308,868      |
| Net income attributable to VMware             | (58,355)                               | (9,957)                          | (496)   | -                     | 7,462                               | (61,346)     |
| <b>EMC Information Infrastructure</b>         |  |                                  |   |                       |                                     |              |
| Cost of revenue                               | \$ (84,570)                            | \$ (108,208)                     | \$ -  | \$ (66,300)           | \$ -                                | \$ (259,078) |
| Research and development                      | (124,991)                              | (13,221)                         | -   | -                     | -                                   | (138,212)    |
| Selling, general and administrative           | (277,345)                              | (157,838)                        | -   | -                     | -                                   | (435,183)    |
| Restructuring and acquisition-related charges | -                                      | -                                | (94,911)  | -                     | -                                   | (94,911)     |
| Other expense, net                            | 3,818                                  | -                                | -   | -                     | -                                   | 3,818        |
| Income tax provision                          | 131,814                                | 94,252                           | 15,894  | 10,078                | -                                   | 252,038      |
| Net income attributable to VMware             | -                                      | -                                | -   | -                     | -                                   | -            |
| <b>VMware within EMC</b>                      |  |                                  |   |                       |                                     |              |
| Cost of revenue                               | \$ (39,107)                            | \$ (48,983)                      | \$ -  | \$ -                  | \$ -                                | \$ (88,090)  |
| Research and development                      | (174,264)                              | (3,188)                          | -   | -                     | -                                   | (177,452)    |
| Selling, general and administrative           | (135,894)                              | (10,358)                         | -   | -                     | -                                   | (146,252)    |
| Restructuring and acquisition-related charges | -                                      | -                                | (2,423)   | -                     | -                                   | (2,423)      |
| Other expense, net                            | -                                      | -                                | -   | -                     | (56,000)                            | (56,000)     |
| Income tax provision                          | 62,780                                 | 13,650                           | -   | -                     | (19,600)                            | 56,830       |
| Net income attributable to VMware             | (58,355)                               | (9,957)                          | (496)   | -                     | 7,462                               | (61,346)     |

**Supplemental Information**  
**For the Twelve Months Ended December 31, 2010**  
(in thousands)  
**Unaudited**

|   | <u>Stock-based<br/>Compensation<br/>Expense</u> | <u>Intangible Asset<br/>Amortization</u> | <u>Restructuring<br/>and Acquisition-<br/>Related<br/>Charges</u> | <u>Special Income<br/>Tax Charge</u> | <u>Total</u> |
|---|---|--|---|--------------------------------------|--------------|
| <b>EMC Consolidated</b>                       |   |  |   |                                      |              |
| Cost of revenue                               | \$ (108,653)                                    | \$ (131,760)                             | \$ -  | \$ -                                 | \$ (240,413) |
| Research and development                      | (258,746)                                       | (23,556)                                 | -   | -                                    | (282,302)    |
| Selling, general and administrative           | (317,654)                                       | (129,966)                                | -   | -                                    | (447,620)    |
| Restructuring and acquisition-related charges | -   | -  | (84,375)  | -                                    | (84,375)     |
| Other expense, net                            | 1,405   | -  | -   | -                                    | 1,405        |
| Income tax provision                          | 165,673   | 92,674                                   | 10,721  | (83,331)                             | 185,737      |
| Net income attributable to VMware             | (48,122)  | (5,279)                                  | (1,636)   | -                                    | (55,036)     |
| <b>EMC Information Infrastructure</b>         |   |  |   |                                      |              |
| Cost of revenue                               | \$ (70,160)                                     | \$ (103,304)                             | \$ -  | \$ -                                 | \$ (173,464) |
| Research and development                      | (94,941)  | (21,202)                                 | -   | -                                    | (116,143)    |
| Selling, general and administrative           | (210,530)                                       | (126,017)                                | -   | -                                    | (336,547)    |
| Restructuring and acquisition-related charges | -   | -  | (80,877)  | -                                    | (80,877)     |
| Other expense, net                            | 1,273   | -  | -   | -                                    | 1,273        |
| Income tax provision                          | 103,303   | 84,937                                   | 15,736  | (83,331)                             | 120,645      |
| Net income attributable to VMware             | -   | -  | -   | -                                    | -            |
| <b>VMware within EMC</b>                      |   |  |   |                                      |              |
| Cost of revenue                               | \$ (38,493)                                     | \$ (28,456)                              | \$ -  | \$ -                                 | \$ (66,949)  |
| Research and development                      | (163,805)                                       | (2,354)                                  | -   | -                                    | (166,159)    |
| Selling, general and administrative           | (107,124)                                       | (3,949)                                  | -   | -                                    | (111,073)    |
| Restructuring and acquisition-related charges | -   | -  | (3,498)   | -                                    | (3,498)      |
| Other expense, net                            | 132   | -  | -   | -                                    | 132          |
| Income tax provision                          | 62,370  | 7,737                                    | (5,015)   | -                                    | 65,092       |
| Net income attributable to VMware             | (48,122)  | (5,279)                                  | (1,636)   | -                                    | (55,036)     |

**Supplemental Information**  
**For the Three Months Ended December 31, 2011**  
(in thousands)  
**Unaudited**

|   | VMware<br>Standalone<br>GAAP | GAAP Adjustments<br>and Eliminations | VMware within EMC<br>GAAP |
|---|------------------------------|--------------------------------------|---------------------------|
| Revenue                                       | \$ 1,060,302                 | \$ (1,783)                           | \$ 1,058,519              |
| Cost of revenue                               | 166,874                      | (642)                                | 166,232                   |
| Gross margin                                  | 893,428                      | (1,141)                              | 892,287                   |
| Research and development                      | 216,992                      | (1,225)                              | 215,767                   |
| Selling, general and administrative           | 462,380                      | (1,513)                              | 460,867                   |
| Restructuring and acquisition-related charges | -                            | 197                                  | 197                       |
| Operating income                              | 214,056                      | 1,400                                | 215,456                   |
| Other income (expense), net                   | (5,190)                      | 7,458                                | 2,268                     |
| Income before taxes                           | 208,866                      | 8,858                                | 217,724                   |
| Income tax provision                          | 8,438                        | (2,440)                              | 5,998                     |
| Net income                                    | <u>\$ 200,428</u>            | <u>11,298</u>                        | <u>211,726</u>            |
| Net income attributable to VMware             |                              | (40,544)                             | (40,544)                  |
| Net income attributable to EMC                |                              | <u>\$ (29,246)</u>                   | <u>\$ 171,182</u>         |

**Supplemental Information**  
**For the Three Months Ended December 31, 2010**  
(in thousands)  
**Unaudited**

|   | VMware<br>Standalone<br>GAAP | GAAP Adjustments<br>and Eliminations | VMware within EMC<br>GAAP |
|---|------------------------------|--------------------------------------|---------------------------|
| Revenue                                       | \$ 835,661                   | \$ (1,157)                           | \$ 834,504                |
| Cost of revenue                               | 140,351                      | (405)                                | 139,946                   |
| Gross margin                                  | 695,310                      | (752)                                | 694,558                   |
| Research and development                      | 177,671                      | (4,464)                              | 173,207                   |
| Selling, general and administrative           | 387,025                      | (3,108)                              | 383,917                   |
| Restructuring and acquisition-related charges | -                            | 325                                  | 325                       |
| Operating income                              | 130,614                      | 6,495                                | 137,109                   |
| Other income (expense), net                   | (5,567)                      | (2,761)                              | (8,328)                   |
| Income before taxes                           | 125,047                      | 3,734                                | 128,781                   |
| Income tax provision                          | 5,167                        | 1,044                                | 6,211                     |
| Net income                                    | <u>\$ 119,880</u>            | <u>2,690</u>                         | <u>122,570</u>            |
| Net income attributable to VMware             |                              | (23,866)                             | (23,866)                  |
| Net income attributable to EMC                |                              | <u>\$ (21,176)</u>                   | <u>\$ 98,704</u>          |

**Supplemental Information**  
**For the Twelve Months Ended December 31, 2011**  
(in thousands)  
**Unaudited**

|   | VMware<br>Standalone<br>GAAP | GAAP Adjustments<br>and Eliminations | VMware within EMC<br>GAAP |
|---|------------------------------|--------------------------------------|---------------------------|
| Revenue                                       | \$ 3,767,096                 | \$ (4,242)                           | \$ 3,762,854              |
| Cost of revenue                               | 621,987                      | (568)                                | 621,419                   |
| Gross margin                                  | 3,145,109                    | (3,674)                              | 3,141,435                 |
| Research and development                      | 775,051                      | (9,697)                              | 765,354                   |
| Selling, general and administrative           | 1,634,887                    | (7,843)                              | 1,627,044                 |
| Restructuring and acquisition-related charges | -                            | 2,423                                | 2,423                     |
| Operating income                              | 735,171                      | 11,443                               | 746,614                   |
| Other income (expense), net                   | 59,242                       | 3,492                                | 62,734                    |
| Income before taxes                           | 794,413                      | 14,935                               | 809,348                   |
| Income tax provision                          | 70,477                       | 1,327                                | 71,804                    |
| Net income                                    | <u>\$ 723,936</u>            | <u>13,608</u>                        | <u>737,544</u>            |
| Net income attributable to VMware             |                              | (147,548)                            | (147,548)                 |
| Net income attributable to EMC                |                              | <u>\$ (133,940)</u>                  | <u>\$ 589,996</u>         |

**Supplemental Information**  
**For the Twelve Months Ended December 31, 2010**  
(in thousands)  
**Unaudited**

|   | VMware<br>Standalone<br>GAAP | GAAP Adjustments<br>and Eliminations | VMware within EMC<br>GAAP |
|---|------------------------------|--------------------------------------|---------------------------|
| Revenue                                       | \$ 2,857,343                 | \$ (6,610)                           | \$ 2,850,733              |
| Cost of revenue                               | 493,715                      | (1,509)                              | 492,206                   |
| Gross margin                                  | 2,363,628                    | (5,101)                              | 2,358,527                 |
| Research and development                      | 652,968                      | (9,010)                              | 643,958                   |
| Selling, general and administrative           | 1,282,667                    | (10,826)                             | 1,271,841                 |
| Restructuring and acquisition-related charges | -                            | 3,498                                | 3,498                     |
| Operating income                              | 427,993                      | 11,237                               | 439,230                   |
| Other income (expense), net                   | (11,618)                     | (4,972)                              | (16,590)                  |
| Income before taxes                           | 416,375                      | 6,265                                | 422,640                   |
| Income tax provision                          | 58,936                       | 4,205                                | 63,141                    |
| Net income                                    | <u>\$ 357,439</u>            | <u>2,060</u>                         | <u>359,499</u>            |
| Net income attributable to VMware             |                              | (69,691)                             | (69,691)                  |
| Net income attributable to EMC                |                              | <u>\$ (67,631)</u>                   | <u>\$ 289,808</u>         |

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

|   | Q1 2010             | Q2 2010             | Q3 2010             | Q4 2010             | FY 2010              | Q1 2011             | Q2 2011             | Q3 2011             | Q4 2011             | FY 2011              |
|---|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| <b>Information Storage:</b>                         |                     |                     |                     |                     |                      |                     |                     |                     |                     |                      |
| Product Revenue                                     | \$ 2,017,314        | \$ 2,076,855        | \$ 2,172,875        | \$ 2,557,243        | \$ 8,824,287         | \$ 2,381,885        | \$ 2,430,587        | \$ 2,462,722        | \$ 2,815,144        | \$ 10,090,338        |
| Services Revenue                                    | 901,781             | 922,067             | 966,414             | 1,084,564           | 3,874,826            | 1,048,412           | 1,128,477           | 1,190,340           | 1,256,613           | 4,623,842            |
| <b>Total Storage Revenue</b>                        | <b>\$ 2,919,095</b> | <b>\$ 2,998,922</b> | <b>\$ 3,139,289</b> | <b>\$ 3,641,807</b> | <b>\$ 12,699,113</b> | <b>\$ 3,430,297</b> | <b>\$ 3,559,064</b> | <b>\$ 3,653,062</b> | <b>\$ 4,071,757</b> | <b>\$ 14,714,180</b> |
| <b>Information Intelligence Group:</b>              |                     |                     |                     |                     |                      |                     |                     |                     |                     |                      |
| Product Revenue                                     | \$ 63,662           | \$ 62,329           | \$ 59,078           | \$ 84,069           | \$ 269,138           | \$ 43,258           | \$ 46,341           | \$ 53,056           | \$ 76,817           | \$ 219,472           |
| Services Revenue                                    | 114,502             | 116,105             | 116,713             | 119,439             | 466,759              | 117,097             | 122,961             | 118,398             | 124,423             | 482,879              |
| <b>Total Information Intelligence Group Revenue</b> | <b>\$ 178,164</b>   | <b>\$ 178,434</b>   | <b>\$ 175,791</b>   | <b>\$ 203,508</b>   | <b>\$ 735,897</b>    | <b>\$ 160,355</b>   | <b>\$ 169,302</b>   | <b>\$ 171,454</b>   | <b>\$ 201,240</b>   | <b>\$ 702,351</b>    |
| <b>RSA Information Security:</b>                    |                     |                     |                     |                     |                      |                     |                     |                     |                     |                      |
| Product Revenue                                     | \$ 85,814           | \$ 90,876           | \$ 102,442          | \$ 121,019          | \$ 400,151           | \$ 87,180           | \$ 102,273          | \$ 115,685          | \$ 135,652          | \$ 440,790           |
| Services Revenue                                    | 75,654              | 82,460              | 83,290              | 87,828              | 329,232              | 87,074              | 93,861              | 99,215              | 107,263             | 387,413              |
| <b>Total Security Revenue</b>                       | <b>\$ 161,468</b>   | <b>\$ 173,336</b>   | <b>\$ 185,732</b>   | <b>\$ 208,847</b>   | <b>\$ 729,383</b>    | <b>\$ 174,254</b>   | <b>\$ 196,134</b>   | <b>\$ 214,900</b>   | <b>\$ 242,915</b>   | <b>\$ 828,203</b>    |
| <b>EMC Information Infrastructure:</b>              |                     |                     |                     |                     |                      |                     |                     |                     |                     |                      |
| Product Revenue                                     | \$ 2,166,790        | \$ 2,230,060        | \$ 2,334,395        | \$ 2,762,331        | \$ 9,493,576         | \$ 2,512,323        | \$ 2,579,201        | \$ 2,631,463        | \$ 3,027,613        | \$ 10,750,600        |
| Services Revenue                                    | 1,091,937           | 1,120,632           | 1,166,417           | 1,291,831           | 4,670,817            | 1,252,583           | 1,345,299           | 1,407,953           | 1,488,299           | 5,494,134            |
| <b>Total EMC Information Infrastructure Revenue</b> | <b>\$ 3,258,727</b> | <b>\$ 3,350,692</b> | <b>\$ 3,500,812</b> | <b>\$ 4,054,162</b> | <b>\$ 14,164,393</b> | <b>\$ 3,764,906</b> | <b>\$ 3,924,500</b> | <b>\$ 4,039,416</b> | <b>\$ 4,515,912</b> | <b>\$ 16,244,734</b> |
| <b>VMware:</b>                                      |                     |                     |                     |                     |                      |                     |                     |                     |                     |                      |
| Product Revenue                                     | \$ 311,927          | \$ 323,256          | \$ 341,530          | \$ 422,568          | \$ 1,399,281         | \$ 418,936          | \$ 464,783          | \$ 442,904          | \$ 513,519          | \$ 1,840,142         |
| Services Revenue                                    | 320,038             | 349,549             | 369,929             | 411,936             | 1,451,452            | 423,776             | 456,055             | 497,881             | 545,000             | 1,922,712            |
| <b>Total VMware Revenue</b>                         | <b>\$ 631,965</b>   | <b>\$ 672,805</b>   | <b>\$ 711,459</b>   | <b>\$ 834,504</b>   | <b>\$ 2,850,733</b>  | <b>\$ 842,712</b>   | <b>\$ 920,838</b>   | <b>\$ 940,785</b>   | <b>\$ 1,058,519</b> | <b>\$ 3,762,854</b>  |
| <b>Consolidated Revenues:</b>                       |                     |                     |                     |                     |                      |                     |                     |                     |                     |                      |
| Product Revenue                                     | \$ 2,478,717        | \$ 2,553,316        | \$ 2,675,925        | \$ 3,184,899        | \$ 10,892,857        | \$ 2,931,259        | \$ 3,043,984        | \$ 3,074,367        | \$ 3,541,132        | \$ 12,590,742        |
| Services Revenue                                    | 1,411,975           | 1,470,181           | 1,536,346           | 1,703,767           | 6,122,269            | 1,676,359           | 1,801,354           | 1,905,834           | 2,033,299           | 7,416,846            |
| <b>Total Consolidated Revenues</b>                  | <b>\$ 3,890,692</b> | <b>\$ 4,023,497</b> | <b>\$ 4,212,271</b> | <b>\$ 4,888,666</b> | <b>\$ 17,015,126</b> | <b>\$ 4,607,618</b> | <b>\$ 4,845,338</b> | <b>\$ 4,980,201</b> | <b>\$ 5,574,431</b> | <b>\$ 20,007,588</b> |

Percentage impact to EMC revenue growth rate due to changes in exchange rates from the prior year

|      |      |        |        |      |      |      |      |      |      |
|------|------|--------|--------|------|------|------|------|------|------|
| 2.4% | 0.0% | (0.6)% | (0.6)% | 0.2% | 1.1% | 3.4% | 1.7% | 0.1% | 1.5% |
|------|------|--------|--------|------|------|------|------|------|------|