

# EMC Q2 2007 Financial Results

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## Forward-Looking Statements and GAAP Reconciliation

This presentation contains “forward-looking statements” as defined under the Federal Securities Laws. Actual results could differ materially from those projected in the forward-looking statements as a result of certain risk factors, including but not limited to: (i) adverse changes in general economic or market conditions; (ii) delays or reductions in information technology spending; (iii) risks associated with acquisitions and investments, including the challenges and costs of integration, restructuring and achieving anticipated synergies; (iv) risks associated with the VMware IPO, including the inability to manage successfully and complete the IPO, and risks associated with trading of VMware stock if the IPO is completed; (v) competitive factors, including but not limited to pricing pressures and new product introductions; (vi) the relative and varying rates of product price and component cost declines and the volume and mixture of product and services revenues; (vii) component and product quality and availability; (viii) the transition to new products, the uncertainty of customer acceptance of new product offerings and rapid technological and market change; (ix) insufficient, excess or obsolete inventory; (x) war or acts of terrorism; (xi) the ability to attract and retain highly qualified employees; (xii) fluctuating currency exchange rates; and (xiii) 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. A reconciliation to GAAP is included within this presentation or in the Current Report on Form 8-K furnished by EMC on July 24, 2007 which can be found at [www.EMC.com](http://www.EMC.com).

# CFO Commentary

**David Goulden**  
**Executive Vice President & CFO**

## 2Q 07 Results

		Q2 07	Y/Y Growth
Revenue	\$	3.12 B	21%
EPS	\$	0.16	33%
Free Cash Flow	\$	422 M	123%

## 2Q 07 Revenue Results

	Revenue Mix	
	Q2 07	Q2 06
Systems: up 18% Y/Y	43%	45%
Software: up 27% Y/Y	41%	39%
Services: up 18% Y/Y	16%	16%

Note: Numbers may not foot due to rounding.

## Global Revenue Growth Y/Y

	Q2 07
North America	20%
Europe, Middle East, Africa	21%
Asia-Pacific/Japan	32%
Latin America	16%

## Business Segments: Revenue and Y/Y Growth

	Q2 07	Y/Y Growth
Information Storage	\$2.5B	12%
Content Management and Archiving	\$174M	5%
RSA Information Security	\$125M	21%*
VMware Virtual Infrastructure	\$298M	89%

*\*On a comparable basis*

## Q2 2007 Margins and Taxes

- Gross Margin: up 170 bps Y/Y and 160 bps Q/Q
- Operating Margin: up 220 bps Y/Y, up 100 bps Q/Q
- Tax rate: 22% including one-time benefits

## Q2 07 Cash Flow

- Operating cash flow: \$622M, up 59% Y/Y
  - DSO's: 49 days
  - Inventory turns: 6.9x
- Free cash flow\*: \$422M, up 123% Y/Y
  - Capital expenditures: \$154M
  - Capitalized software: \$ 46M

\*Free cash flow = Operating cash flow – (PP&E + Capitalized Software)

## Q2 2007 Cash

- Stock repurchase: \$390M
- Average share count: 2.122B
- Cash and investments: \$5.9B

## 2007 Expectations

		Growth
Revenues	>\$12.7B	14%
GAAP EPS	>\$0.64	19%

# CEO Commentary

**Joe Tucci**

**Chairman, President & CEO**

# Q&A