

Massachusetts Alliance for Economic Development



Annual Conference June 24, 2005

Michael Cody

VP of Corporate Development, EMC

EMC – The Leader in Storage and Information Management

- \$8.23 billion in revenue for 2004
 - 32% growth over 2003
- \$2.24 billion in Q1 '05 revenue
 - Systems up 15%
 - Software up 24%
 - Services up 26%
 - **VMware**: up 104%
- \$7.5 billion cash and investments
 - \$127M spent to buyback 9.8M shares
 - **SMARTS**: \$253M spent on acquisition
- Employs 24,000 people worldwide
 - 7,200+ service professionals
- Strong strategic partnerships
- Largest IT company and employer in Massachusetts

“EMC is a much different company today, with a more diversified portfolio. I think you'll see this show up in 2005 and '06. Its portfolio of products will enable the company to expand profit margin faster than revenue, and they should be able to take market share away from competitors.”

— Pacific Crest

Who We Are?

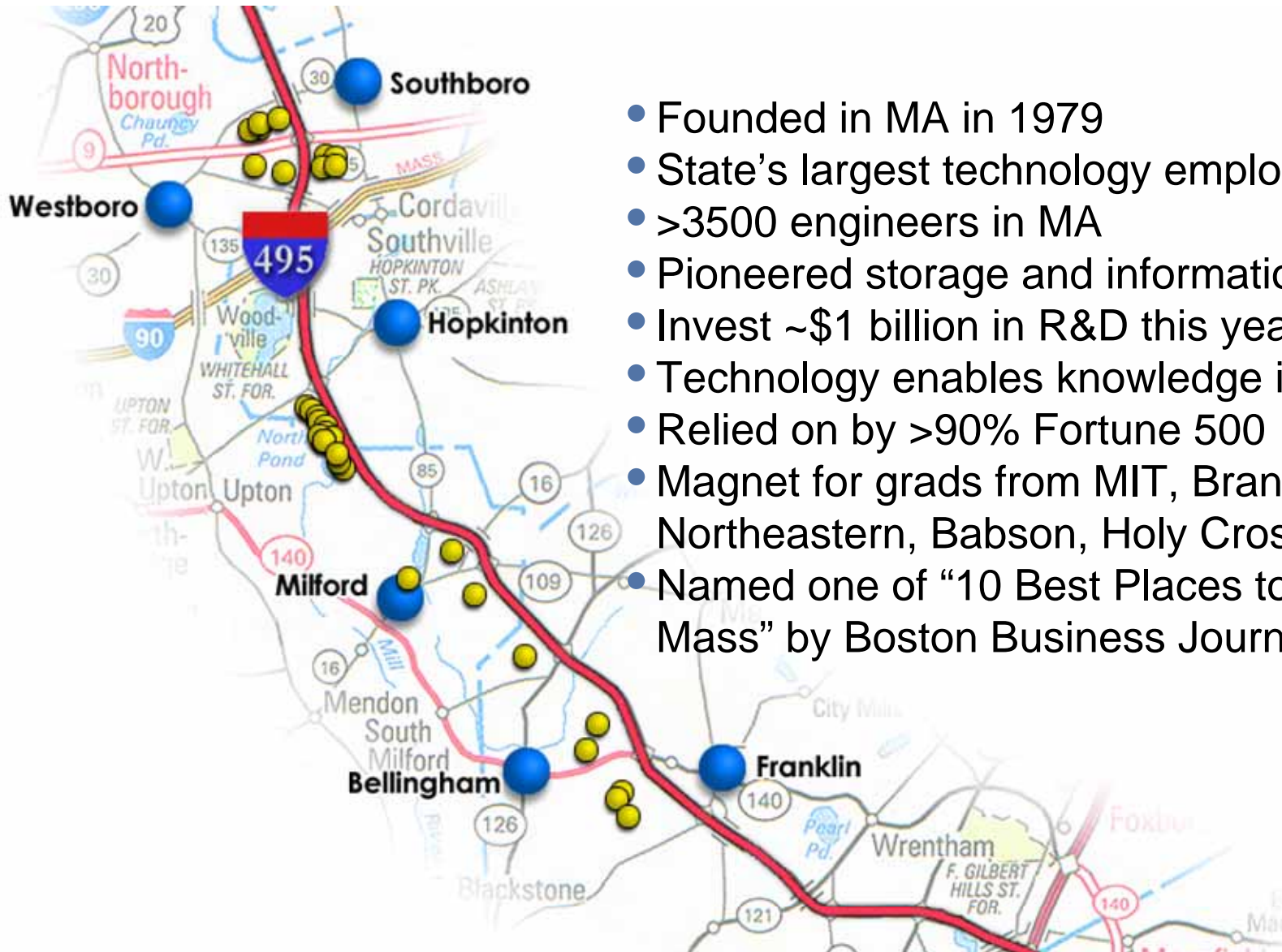
EMC is a
top-tier technology company
and the
**world leader in products,
services, and solutions for
storing and managing information
and aligning and optimizing
IT resources.**

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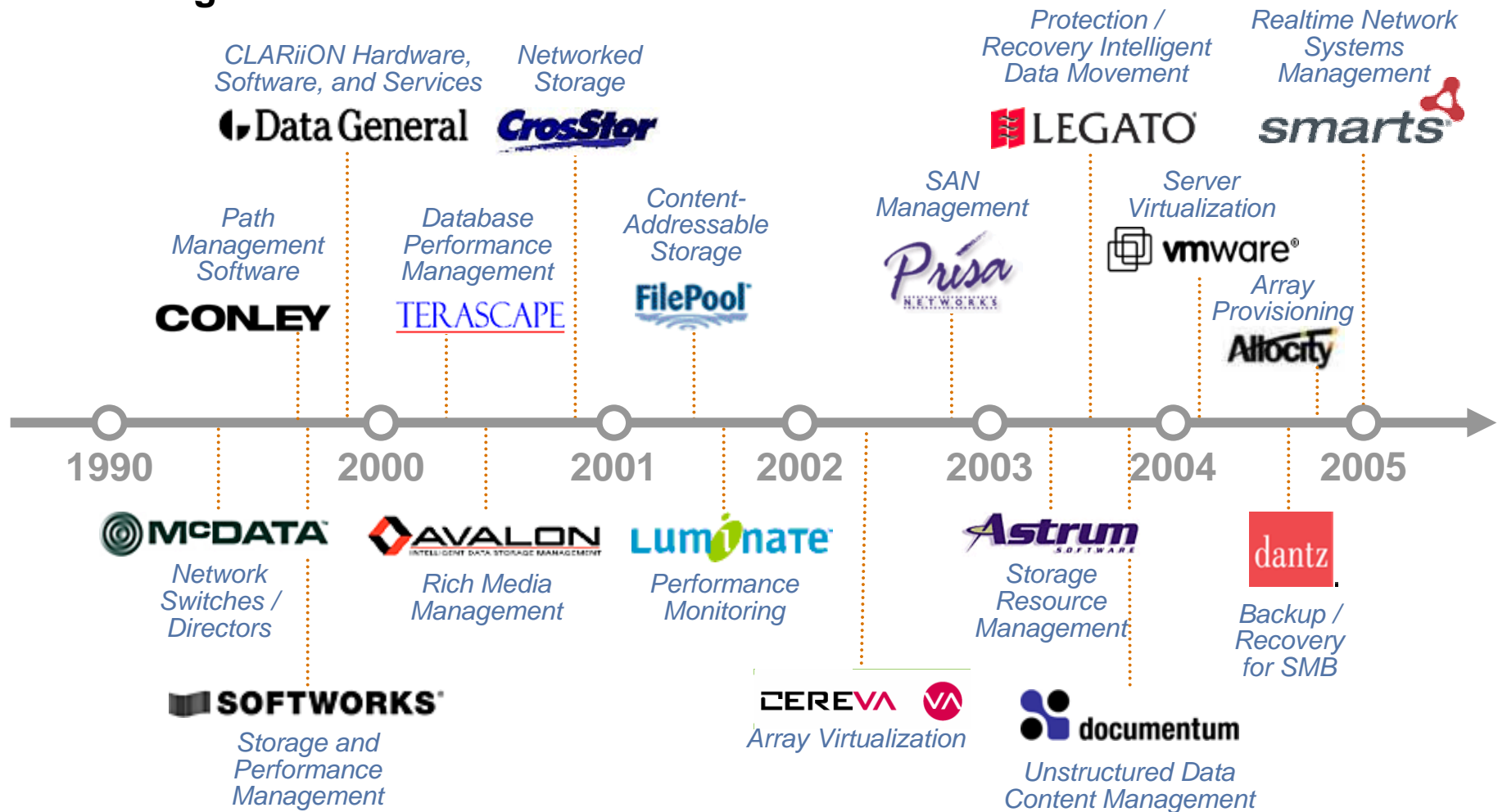
>7,800 Knowledge Workers in Mass



- Founded in MA in 1979
- State's largest technology employer
- >3500 engineers in MA
- Pioneered storage and information mgt.
- Invest ~\$1 billion in R&D this year
- Technology enables knowledge industries
- Relied on by >90% Fortune 500
- Magnet for grads from MIT, Brandeis, Northeastern, Babson, Holy Cross, BC
- Named one of "10 Best Places to Work in Mass" by Boston Business Journal

Transforming Through Acquisitions

Acquisitive: Over 30 M&A Transactions, 15 Investments
12 Strategic Alliances / OEM



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M&A Activity in Massachusetts

- Massachusetts fosters companies that provide growth opportunities
 - Technology center, higher education
 - Access to capital
 - Proximity to EMC facilitates integration



EMC's acquisitions acquired
Massachusetts companies

DILIGENT
TECHNOLOGIES
Investment



April 2003, 27
employees,
ControlCenter

TERASCAPE

January 2000, 17
employees,
ControlCenter



Aug 1999, 4818 employees,
CLARiiON



August 2000, 15 employees,
Technology

Mentor
September 1998, 3 employees



August 2002, 20 employees
Technology



Aug 1998, 65 Employees,
PowerPath

Shawn Systems, Inc.
January 2001, 11 employees

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EMC Support For Our Local Communities

- Education
 - Support for Mass Education Reform Law, MCAS test, new Science MCAS
 - Support differentiated pay scale, merit pay and charter schools
- Infrastructure
 - Spent \$4K in infrastructure/water treatment costs for every job created in MA
- Healthcare
 - Support reforms to the state's costly medical malpractice system
 - Support use of technology to create more cost-effective, accessible, high quality healthcare systems

Challenges to Doing Business in Mass

- Quality of life
 - Cost of housing
 - Commuting time
- Labor costs
 - 25% above the national average according to Economy.com
- Shrinking workforce
 - State's total job count has dropped 5.4% since Feb. '01
- Tax rates
 - CFO magazine rates MA among five worst states in which to do business based on tax rates

EMC²

where information lives