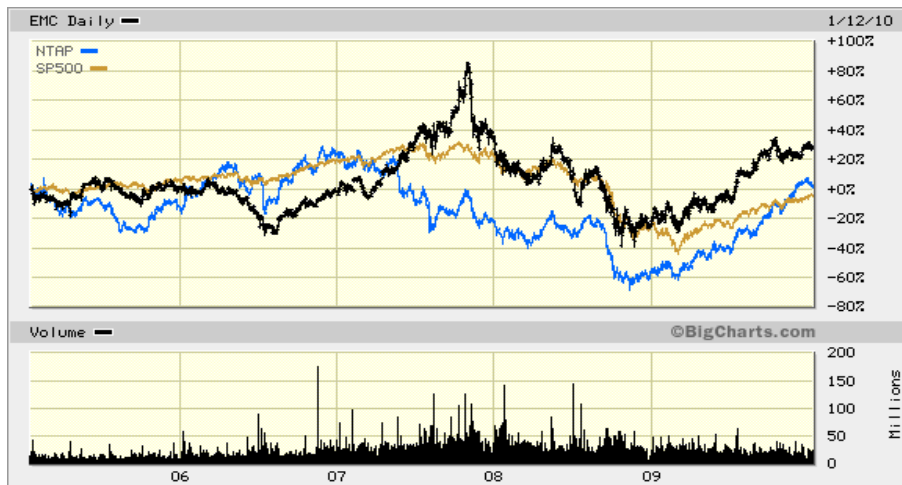


EMC Corporation (EMC) 1/12/10

EMC operates as a designer, producer, and marketer of enterprise data-storage solutions and increasingly into enterprise software. EMC operates in three business segments; Information Storage, RSA Information Security, and VMware Virtual Infrastructure. The company specializes in high speed, high storage hard-drives and virtualization components to business customers. EMC was founded in 1979 and is headquartered in Hopkinton, Massachusetts.

Current Price	\$17.47
52 Week High	\$18.44
52 Week Low	\$9.61
One Yr Target	\$20.00
Market Cap (in billions)	\$35.64
P/E (Trailing)	34.46
P/E(1 Yr Forward)	15.74
P/E/G	1.40
ROA	4.29%
ROE	7.21%
EPS	\$0.51
Beta	0.97
Annualized Dividend	\$0.00
Dividend Yield	0.00%
Analyst Consensus	2.00
Debt to Equity	0.72



Annual EPS

2006	\$0.48	
2007	\$0.58	21.70%
2008	\$0.79	36.99%
2009	\$0.67	-15.64%
2010E	\$0.51	-24.16%

Annual Revenue (in millions)

2006	\$9,663.95	
2007	\$11,155.09	15.43%
2008	\$13,230.20	18.60%
2009	\$14,876.16	12.44%

Annual Net Income (in millions)

2006	\$1,133.16	
2007	\$1,227.60	8.33%
2008	\$1,665.67	35.69%
2009	\$1,345.57	-19.22%

Free Cash Flows (in millions)

2006	\$1,448.05	
2007	\$1,229.43	-15.10%
2008	\$2,195.51	78.58%
2009	\$2,574.22	17.25%

Required Rate of Return

10.48%

Dividend Growth Model

Present Value of 2015 Price	n/a
Holding Period Return (5 years)	n/a

Expected Annualized Return Model

Present Value of 2015 Price	\$16.57
Holding Period Return (5 years)	-0.89%

Residual Income Model

Intrinsic Stock Price	\$20.14
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Analysis

Positives

Negatives

Financial Statements

Income Statement is ok, not quite the Net Income growth we want but margins are good

Balance Sheet is good, great Retained Earnings and good Cash/Debt ratio

Cash Flows are good, suprisingly considerable Capital Expenditures

Industry Analysis

Industry should return in line with the broader economy

EMC has better than average financial ratios compared to industry

Summary

EMC is a good company and generates a lot of cash, much like other technology competitors. Its financial ratios are good and its financial statements are stable and very nice. The applicable valuation models have the current stock price as being fairly valued. EMC's sales should increase as businesses see the return of their IT budgets and as computing moves to virtualization and cloud based models. EMC is partnered with Oracle to operate technology centers in China, a move to expand its overseas revenue. EMC see nice stock appreciation in the coming years but nothing that stands-out about over tech companies and thus earns a **hold** rating.