

# EMC CORP NYSE-EMC

RECENT PRICE **17.37**

P/E RATIO **NMF** (Trailing: 48.2 Median: 19.0)

RELATIVE P/E RATIO **NMF**

DIV'D YLD

**Nil** VALUE LINE

**TIMELINESS** 4 Raised 1/18/02  
**SAFETY** 3 Raised 7/25/97  
**TECHNICAL** 2 Raised 12/21/01  
**BETA** 1.60 (1.00 = Market)

High: 0.2 0.3 0.8 2.4 3.0 3.4 4.5 8.1 21.7  
 Low: 0.1 0.1 0.2 0.6 1.6 1.6 1.9 4.0 6.0

**LEGENDS**  
 --- 35.0 x "Cash Flow" p sh  
 .... Relative Price Strength  
 3-for-2 split 11/92  
 2-for-1 split 6/93  
 2-for-1 split 12/93  
 2-for-1 split 11/97  
 2-for-1 split 6/99  
 2-for-1 split 6/00  
 Options: Yes  
 Shaded area indicates recession

**2004-06 PROJECTIONS**

	Price	Gain	Ann'l Total Return
High	40	(+130%)	24%
Low	30	(+75%)	15%

**Insider Decisions**

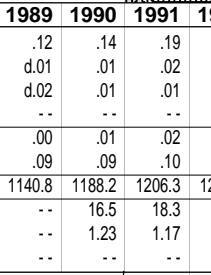
	F	M	A	M	J	J	A	S	O
to Buy	0	1	0	0	0	0	0	0	0
Options to Buy	2	2	1	1	0	1	1	0	2
to Sell	2	2	2	3	0	1	1	0	0

**Institutional Decisions**

	12/2001	2/2002	3/2002
to Buy	709	672	548
to Sell	409	379	492
Hlds's	1037472713339991241487		

Percent 18.0  
 shares traded 6.0

Year	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	
Revenues per sh	-.06	.11	.11	.12	.14	.19	.28	.52	.86	1.04	1.19	1.48	1.97	3.23	4.04	3.15	2.70	2.70	
"Cash Flow" per sh	-.02	.03	.00	d.01	d.01	.01	.02	.04	.10	.18	.23	.25	.34	.49	.78	1.06	.35	.35	
Earnings per sh	-.02	.02	d.01	d.02	.01	.01	.02	.08	.14	.19	.20	.26	.37	.53	.79	.05	d.05	d.05	
Div'ds Decl'd per sh	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
Cap'l Spending per sh	.01	.01	.01	.00	.01	.02	.02	.03	.07	.05	.07	.11	.19	.25	.39	.40	.35	.35	
Book Value per sh	-.06	.11	.10	.09	.09	.10	.13	.28	.46	.62	.86	1.20	1.65	2.38	3.72	3.40	3.55	3.55	
Common Shs Outst'g	1044.2	1127.9	1136.1	1140.8	1188.2	1206.3	1235.6	1498.6	1592.9	1839.0	1905.9	1987.2	2014.5	2078.6	2195.5	2225.00	2260.00	2260.00	
Avg Ann'l P/E Ratio	12.6	15.4	---	---	16.5	18.3	17.8	19.2	17.0	12.9	14.1	22.2	33.6	NMF	NMF	NMF	NMF	NMF	
Relative P/E Ratio	.85	1.03	---	---	1.23	1.17	1.08	1.13	1.11	.86	.88	1.28	1.75	NMF	NMF	NMF	NMF	NMF	
Avg Ann'l Div'd Yield	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---



**CAPITAL STRUCTURE as of 9/30/01**

Total Debt \$37.2 mill. Due in 5 Yrs Nil  
 LT Debt \$20.4 mill. Est'd LT Int. \$1.5 mill. (less than 1% of Cap'l)

Leases, Uncapitalized Annual rentals \$180.0 mill.

Pension Liability None

Pfd Stock None

Common Stock 2,215,564,720 sh. (100% of Cap'l)

MARKET CAP: \$38.5 billion (Large Cap)

Year	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	
Revenues (\$mill)	232.4	349.1	782.6	1377.5	1921.3	2273.7	2937.9	3973.7	6715.6	8872.8	6980	6150	6150	6150	6150	6150	6150	6150	
Operating Margin	13.6%	18.8%	25.8%	27.8%	28.2%	25.7%	27.2%	29.8%	28.5%	31.6%	8.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
Depreciation (\$mill)	9.3	17.6	21.7	32.7	53.6	86.9	136.3	203.3	447.1	543.8	650	700	700	700	700	700	700	700	
Net Profit (\$mill)	13.1	28.7	127.1	250.7	365.4	386.2	538.5	793.4	1165.9	1782.1	115	d135	d135	d135	d135	d135	d135	d135	
Income Tax Rate	35.2%	32.0%	29.2%	29.5%	27.5%	25.0%	25.0%	25.0%	25.4%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	
Net Profit Margin	5.6%	8.2%	16.2%	18.2%	19.0%	17.0%	18.3%	20.0%	17.4%	20.1%	1.6%	NMF	NMF	NMF	NMF	NMF	NMF	NMF	
Working Cap'l (\$mill)	68.3	140.6	516.9	600.3	959.6	1336.6	2121.1	2451.6	2922.5	3986.4	2750	2800	2800	2800	2800	2800	2800	2800	
Long-Term Debt (\$mill)	15.8	75.7	274.0	286.1	245.8	191.2	558.5	538.9	686.6	14.5	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	
Shr. Equity (\$mill)	125.7	158.1	419.1	727.6	1140.3	1636.8	2376.3	3324.1	4951.8	8177.2	7600	7965	7965	7965	7965	7965	7965	7965	
Return on Total Cap'l	9.9%	13.3%	18.8%	25.4%	26.8%	21.4%	18.6%	20.8%	21.0%	21.8%	1.5%	NMF	NMF	NMF	NMF	NMF	NMF	NMF	
Return on Shr. Equity	10.4%	18.2%	30.3%	34.4%	32.0%	23.6%	22.7%	23.9%	23.5%	21.8%	1.5%	NMF	NMF	NMF	NMF	NMF	NMF	NMF	
Retained to Com Eq	10.4%	18.2%	30.3%	34.4%	32.0%	23.6%	22.7%	23.9%	23.5%	21.8%	1.5%	NMF	NMF	NMF	NMF	NMF	NMF	NMF	
All Div'ds to Net Prof	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

**CURRENT POSITION** 1999 2000 9/30/01 (\$MILL.)

Cash Assets	1824.1	2656.9	2312.5
Receivables	1625.4	2114.4	1268.0
Inventory (FIFO)	618.9	1025.0	866.0
Other	252.0	303.8	489.8
Current Assets	4320.4	6100.1	4936.3
Accts Payable	370.1	516.5	439.3
Debt Due	9.1	11.8	16.8
Other	1018.7	1585.3	1807.7
Current Liab.	1397.9	2113.6	2263.8

**ANNUAL RATES** Past 10 Yrs. Past 5 Yrs. Est'd '98-'00 to '04-'06

change (per sh)	38.0%	30.5%	8.0%
Revenues	---	36.0%	4.5%
"Cash Flow"	---	33.5%	3.5%
Earnings	---	---	Nil
Dividends	---	---	---
Book Value	39.5%	41.5%	13.5%

**QUARTERLY REVENUES (\$ mill.)**

Year	1998	1999	2000	2001	2002
Mar.Per	828.4	952.0	1002.5	1190.8	3973.7
Jun.Per	1483.3	1647.6	1708.9	1875.8	d6715.6
Sep.Per	1822.6	2145.9	2283.0	2621.3	8872.8
Dec.Per	2344.8	2020.9	1212.3	1402	6980
Full Year	1300	1450	1600	1800	6150

**BUSINESS:** EMC Corporation designs, manufactures, markets, and supports high-performance storage products and provides related services for selected mainframe and open computing systems. Also owns a small server business. Acquired Data General, 10/99. Product lines include *Symmetrix*, *Connectrix*, *CLARiiON*, and *AviION*. '00 Revenues: North and South America, 61%; Pacific Rim, 10%; Other, 29%. Research and Development: 8.8% of '00 revenues. '00 depreciation rate: 13.9%. Estimated plant age: 3.0 years. Officers and directors own 1.1% of outstanding common stock (4/01 proxy). Executive Chairman: Michael C. Ruettgens. President and CEO: Joe Tucci. Inc.: MA. Addr.: 171 South Street, Hopkinton, MA 01748. Tel.: 508-435-1000. Web: www.emc.com.

**EARNINGS PER SHARE**

Year	1998	1999	2000	2001	2002
Mar.Per	.07	.09	.10	.11	.37
Jun.Per	.10	.13	.14	.16	d.53
Sep.Per	.15	.19	.20	.25	.79
Dec.Per	.18	.05	d.12	d.06	.05
Full Year	d.06	d.03	Nil	d.04	d.05

**EMC Corporation shares fared quite well in the first few weeks of 2002, as they were buoyed by investors' optimistic return to the data-storage sector. With many on Wall Street looking for an economic recovery to commence sooner rather than later, this market-leading storage hardware and software provider received a good deal of support early in the new year. The question at this juncture is whether or not that optimistic view is accurate. While we think that business may have bottomed, a V-shaped recovery is unlikely. Information-technology spending is in the hands of the chief financial officer right now, so storage purchases are limited currently to the very bare minimum of what's required to run customers' data centers. Given the uncertainty pervading the broader macroeconomic environment, we don't see Fortune 500 CFOs increasing their technology budgets until more tangible signs of economic strength emerge. Storage spending will represent a fair share of the limited dollars that are available for IT, but the fact that customers are moving down the value chain to mid-range systems doesn't play to EMC's**

**QUARTERLY DIVIDENDS PAID**

Year	1998	1999	2000	2001	2002
Mar.31					
Jun.30					
Sep.30					
Dec.31					
Full Year					

NO CASH DIVIDENDS BEING PAID

**strengths. And margins continue to be hampered by the aggressive prices the company has been forced to offer in defense of its leading competitive position. Going forward, EMC's changing business model should aid its bottom-line rebound. With the competitive challenges on the hardware front having become a factor (as the pricing issues discussed above indicate), software and services are expected to grow in importance over the next few years. The company has begun to make a push into heterogeneous storage environments with automation software that even operates on its competitors' hardware systems, pulling a page from VERITAS's playbook. With the industry still in the early stages of adopting the storage area network (SAN) architectural paradigm, the opportunity is there for EMC to win a good share of business in this market segment. These untimely shares, ranked 4 (Below Average) for the year ahead, have some longer-term appeal. The aforementioned risks suggest, however, that they are for risk-tolerant accounts only.**

(A) Fiscal year ends Saturday closest to December 31st.  
 (B) Primary earnings through 1991, fully diluted through 1996, diluted thereafter. Excludes non-

recurring loss: '95, 2¢; '99, 14¢; '01, 31¢. Next earnings report due mid-April.  
 (C) In millions, adjusted for stock splits.  
 (D) Data General consolidated for full year as

per pooling-of-interests accounting.

Company's Financial Strength	A++
Stock's Price Stability	25
Price Growth Persistence	90
Earnings Predictability	60

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