

EMC CORP  
Form 11-K  
June 28, 2005  
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**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

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**FORM 11-K**

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**ANNUAL REPORT**

**PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**x ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934**

**For the fiscal year ended December 31, 2004**

**.. TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission file number 1-9853**

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**EMC Corporation 401(k) Savings Plan**

**(Full title of the Plan)**

# **EMC Corporation**

(Name of issuer of the securities held pursuant to the Plan)

**176 South Street, Hopkinton, Massachusetts 01748**

(Address of principal executive office)

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**EMC Corporation 401(k) Savings Plan**

**Financial Statements and Supplemental Schedule**

**December 31, 2004 and 2003**

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**EMC Corporation 401(k) Savings Plan**

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\* Other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because such schedules are not applicable.

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**Report of Independent Registered Public Accounting Firm**

To the Participants and Plan Administrator of the

EMC Corporation 401(k) Savings Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the EMC Corporation 401(k) Savings Plan (the Plan) at December 31, 2004 and December 31, 2003, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP

Boston, MA

June 28, 2005

**Table of Contents****EMC Corporation 401(k) Savings Plan****Statements of Assets Available for Benefits****December 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Investments at fair value:		
Common collective trust:		
Fidelity Managed Income Portfolio Fund	\$ 72,721,806*	\$ 69,916,374*
Mutual funds:		
Fidelity Equity Income Fund	67,582,402*	59,361,516*
Fidelity Independence Fund	55,772,591*	51,063,123*
Fidelity Low Priced Stock Fund	77,051,459*	47,728,546*
Fidelity Magellan Fund	152,031,663*	147,900,810*
Fidelity Puritan Fund	59,372,411*	52,136,980*
Other mutual funds	491,515,690	363,235,771
Total mutual funds	<u>903,326,216</u>	<u>721,426,746</u>
EMC Corporation Stock Fund:		
EMC Corporation common stock	46,482,014	36,291,040
Cash	465,229	330,506
Total EMC Corporation Stock Fund	<u>46,947,243</u>	<u>36,621,546</u>
Loans to participants	<u>17,829,540</u>	<u>15,479,641</u>
Total investments	<u>1,040,824,805</u>	<u>843,444,307</u>
Receivables:		
Employer contributions	8,016,140	7,034,079
Investment income receivable	650	294
Merger of plan assets from acquired companies 401(k) plans (Note 1)	37,725,459	
Total receivables	<u>45,742,249</u>	<u>7,034,373</u>
Assets available for benefits	<u>\$ 1,086,567,054</u>	<u>\$ 850,478,680</u>

\* Represents 5% or more of assets available for benefits.

The accompanying notes are an integral part of these financial statements.

**Table of Contents****EMC Corporation 401(k) Savings Plan****Statements of Changes in Assets Available for Benefits****Years Ended December 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
<b>Additions:</b>		
Net appreciation of investments:		
Mutual funds	\$ 65,198,073	\$ 124,949,857
EMC Corporation Stock Fund	6,433,686	16,811,426
	<u>71,631,759</u>	<u>141,761,283</u>
<b>Total net appreciation of investments</b>	<b>71,631,759</b>	<b>141,761,283</b>
<b>Dividends and interest:</b>		
Mutual funds interest and dividends	26,067,493	14,063,944
EMC Corporation Stock Fund interest	92,412	97,789
	<u>26,159,905</u>	<u>14,161,733</u>
<b>Total dividends and interest</b>	<b>26,159,905</b>	<b>14,161,733</b>
<b>Contributions:</b>		
Employer contributions	30,295,891	25,942,205
Participant contributions	101,475,369	79,700,383
Participant rollovers from other qualified plans	13,022,773	4,906,357
	<u>144,794,033</u>	<u>110,548,945</u>
<b>Total contributions</b>	<b>144,794,033</b>	<b>110,548,945</b>
Merger of plan assets from acquired companies 401(k) plans (Note 1)	37,725,459	34,152,335
	<u>280,311,156</u>	<u>300,624,296</u>
<b>Total net additions</b>	<b>280,311,156</b>	<b>300,624,296</b>
<b>Deductions:</b>		
Benefits paid to participants	44,191,260	39,975,715
Administrative fees	31,522	9,629
	<u>44,222,782</u>	<u>39,985,344</u>
<b>Total deductions</b>	<b>44,222,782</b>	<b>39,985,344</b>
<b>Net increase</b>	<b>236,088,374</b>	<b>260,638,952</b>
<b>Assets available for benefits:</b>		
Beginning of year	850,478,680	589,839,728
	<u>850,478,680</u>	<u>589,839,728</u>
<b>End of year</b>	<b>\$ 1,086,567,054</b>	<b>\$ 850,478,680</b>

The accompanying notes are an integral part of these financial statements.





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### **EMC Corporation 401(k) Savings Plan**

#### **Notes to Financial Statements**

#### **1. Description of the Plan**

The following description of the EMC Corporation 401(k) Savings Plan, as amended (the Plan), provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

#### **General**

The Plan is a contributory defined contribution plan established January 1, 1983 for the purpose of providing an opportunity for retirement income and increased savings to the employees of EMC Corporation (the Company). Plan assets acquired under this Plan as a result of contributions, investment income, and other additions to the Plan are administered for the exclusive benefit of the participants and their beneficiaries. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The 401(k) Oversight and Pension Committee serves as the plan administrator and named fiduciary under the Plan. Fidelity Management Trust Company serves as the trustee for the Plan (the Trustee).

#### **Mergers into the Plan**

In December 2003, the Company acquired Documentum, Inc. Effective as of the close of business on December 31, 2004, the Documentum, Inc. 401(k) Plan (the Documentum Plan) merged into the Plan resulting in the transfer of assets of \$37,371,728 and the transfer of participant loans of \$353,731 into the Plan. Former participants of the Documentum Plan became eligible to participate in the Plan effective January 1, 2005.

In October 2003, the Company acquired LEGATO Systems, Inc. In connection with the acquisition, the LEGATO Systems, Inc. 401(k) Plan (the LEGATO Plan) merged into the Plan effective as of the close of business on December 31, 2003 resulting in the transfer of assets of \$33,637,998 and the transfer of participant loans of \$514,337 into the Plan. Former participants of the LEGATO Plan became eligible to participate in the Plan effective January 1, 2004.

#### **Eligibility**

All U.S. employees of the Company who are regularly scheduled to work at least 20 hours per week are, in general, eligible to participate in the Plan, and may begin participation on the first payroll date after enrollment.

#### **Contributions**

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During 2004 and 2003, participants could elect to contribute an amount not to exceed, in the aggregate, between 1% and 50% and between 1% and 25%, respectively, of their compensation on a pre-tax basis while participating in the Plan. Participants may also contribute amounts representing distributions from other qualified plans. In any Plan year, the Company may contribute to participants' accounts a quarterly matching contribution equal to a percentage of the participant's compensation contributed to the Plan as determined by the Company's Board of Directors up to a maximum quarterly matching contribution of \$750. To be eligible for an allocation of Company quarterly matching contributions, a participant must be employed by the Company on the last business day of the calendar quarter. Effective January 1, 2005, the Company will match participants' pre-tax employee contributions up to 6% of eligible compensation, not to exceed \$750 per quarter. For the first two quarters of 2005, the employer match will be paid quarterly; however, beginning July 1, 2005, participants will receive the employer match each bi-weekly pay period.

**Table of Contents****EMC Corporation 401(k) Savings Plan****Notes to Financial Statements - (continued)**

In addition, discretionary Company profit sharing contributions based on different discretionary goals established for separate business units within the Company may be made as determined by the Company's Board of Directors. To be eligible for an allocation of discretionary Company profit sharing contributions, a participant must have completed at least 1,000 hours of service during the Plan year and be employed by the Company on the last day of the Plan year. During 2004 and 2003, the Company did not make any discretionary profit sharing contribution.

Participants age 50 or over or who attained age 50 by 2002, are eligible to contribute to the Plan, in addition to the Internal Revenue Service ( IRS ) maximum contribution, up to \$2,000 in 2003, \$3,000 in 2004, \$4,000 in 2005, and \$5,000 in 2006.

Contributions are subject to certain limitations under the Internal Revenue Code of 1986, as amended (the Code ).

**Participant Accounts**

Each participant's account is credited with the participant's contribution, the Company's discretionary matching contribution and an allocation of the profit sharing contributions and Plan earnings and debited with applicable expenses. Allocations are based on participant earnings or account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. All participant accounts are invested in the various investment options made available from time to time by the Company for such purpose. On a daily basis, participants have the opportunity to give instructions to the Company as to the investment of contributions among the available investment options, subject to allocation rules, which may be prescribed by the Company. No more than 30% of a participant's contributions may be invested in the EMC Corporation Stock Fund.

**Vesting and Forfeiture**

Participants are immediately vested 100% in their voluntary contributions, rollover contributions, Company discretionary matching contributions plus the investment earnings arising from these contributions. Company discretionary profit sharing contributions are subject to a vesting schedule based on the number of years of continuous service as follows:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 1 year	0%
1 year but less than 2	25%
2 years but less than 3	50%
3 years but less than 4	75%
4 years or more	100%

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Participants' interest in their accounts shall become 100% vested and nonforfeitable without regard to their credited years of service if they are employed by the Company on or after age 65, incur a permanent and total disability or die while employed by the Company.

If a participant who is not fully vested terminates employment with the Company, the participant shall be entitled to the vested portion of his or her account. The nonvested portion is forfeited and will be applied to the payment of Plan expenses. As of December 31, 2004 and 2003, the participant forfeiture balance was \$636,057 and \$422,067 of which \$626,831 and \$419,807, respectively, was received in connection with the merger of acquired companies' plans.

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### **EMC Corporation 401(k) Savings Plan**

#### **Notes to Financial Statements - (continued)**

##### **Payment of Benefits**

Benefits are payable at age 59 <sup>1</sup>/<sub>2</sub>, death, separation from service, or proven hardship. A participant who was a Plan member as of December 31, 1988 may elect to receive the value of the vested interest in his or her account in the form of an installment or in a lump-sum distribution. A Plan member after such date will receive the vested interest in his or her account in a lump-sum distribution. In any event, payment of benefits must commence not later than the April 1 following the calendar year during which the participant's employment terminates or the participant reaches age 70 <sup>1</sup>/<sub>2</sub>, whichever is later. However, a 5% owner of the Company will be required to begin receiving minimum distributions from his or her account by the April 1 following attainment of age 70 <sup>1</sup>/<sub>2</sub> regardless of whether he or she has terminated employment at that time.

##### **Participant Notes Receivable**

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or one-half of the participant's vested account balance. Loan terms range from 1-5 years or up to 10 years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the Plan administrator. Interest rates ranged from 4.75% - 10.5% for 2004 and 5.0% - 10.5% for 2003. Principal and interest are paid ratably through payroll deductions.

## **2. Summary of Significant Accounting Policies**

### **Basis of Accounting**

The financial statements of the Plan are prepared using the accrual method of accounting.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

### **Investment Valuation and Income Recognition**

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Investments are valued at fair value. Investments in shares of mutual funds and the common collective trust are valued at their net value per share or unit value, respectively, which represent the value at which shares/units may be purchased or redeemed. The Company's common stock, par value \$.01 per share ( Common Stock ), is valued at the quoted market price on the last business day of the Plan year. Loans to participants are valued at principal plus accrued interest, which approximates fair value.

The Plan presents in the statements of changes in assets available for benefits net appreciation in the fair value of its investments, which consists of realized gains or losses, and unrealized appreciation on investments. The cost of investments is determined on the average cost basis in calculating realized gains or losses.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

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**EMC Corporation 401(k) Savings Plan**

**Notes to Financial Statements - (continued)**

**Expenses of the Plan**

Administrative expenses, including legal and participant accounting, and other costs of administering the Plan, and certain expenses directly relating to the investments are charged to and paid by the Company.

**Termination of the Plan**

Although it has not expressed any intent to do so, the Company has the right to terminate the Plan. The Plan administrator, upon termination, shall cause the assets of the Plan to be allocated as described in the Plan agreement. In the event of Plan termination, participants will become 100% vested in their accounts.

**Payment of Benefits**

Benefits are recorded when paid.

**3. Tax Status of the Plan**

The IRS has determined by a letter dated July 2, 2002 that the Plan and related trust are designed in accordance with applicable sections of the Code. Therefore, no provisions for income taxes are required.

**4. Related Party Transactions**

The Plan invests in Common Stock of the Company and transactions in this Common Stock are related party transactions. During the years ended December 31, 2004 and 2003, the Plan purchased shares of the Common Stock having values of \$9,329,086 and \$9,293,324, respectively, and sold shares of the Common Stock having values of \$5,431,614 and \$2,648,673, respectively.

Certain Plan investments are shares of mutual funds managed by FMR Corp. FMR Corp. is a related party to the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest. Fees paid by the Plan for the investment management and recordkeeping services amounted to \$31,522 and \$9,629 for the years ended December 31, 2004 and 2003, respectively. Loans to participants also qualify as party-in-interest transactions.

**5. Risks and Uncertainties**

The Plan provides various investment options. Investment securities are exposed to various risks, including interest rate, market and credit risks. Due to the risks associated with investment securities, it is possible that the value of investment securities will change and that such changes could materially affect participants' account balances and the amounts reported in the statement of assets available for benefits.



**Table of Contents****EMC Corporation 401(k) Savings Plan****Form 5500, Schedule H, line 4i- Schedule of Assets (Held at End of Year)****December 31, 2004**

<u>Identity of Issue, Borrower, Lessor or Similar Party</u>	<u>Description of investment including maturity date, rate of interest, collateral, par, or maturity value.</u>	<u>Cost</u>	<u>Current Value</u>
<b>Common Collective Trust</b>			
* Fidelity	Managed Income Portfolio Fund	**	\$ 72,721,806
<b>Mutual Funds</b>			
* Fidelity	Magellan Fund	**	152,031,663
* Fidelity	Puritan Fund	**	59,372,411
* Fidelity	Equity Income Fund	**	67,582,402
* Fidelity	Retirement Money Market Fund	**	39,646,470
* Fidelity	Equity Income II Fund	**	44,623,073
* Fidelity	Conservative Strategy Fund	**	408,924
* Fidelity	Moderate Strategy Fund	**	2,236,014
* Fidelity	Aggressive Strategy Fund	**	3,507,229
* Fidelity	Independence Fund	**	55,772,591
* Fidelity	Low Priced Stock Fund	**	77,051,459
* Fidelity	Freedom Income Fund	**	1,636,577
* Fidelity	Freedom 2000 Fund	**	1,695,114
* Fidelity	Freedom 2010 Fund	**	5,871,006
* Fidelity	Freedom 2020 Fund	**	16,272,885
* Fidelity	Freedom 2030 Fund	**	18,893,112
* Fidelity	Freedom 2040 Fund	**	3,136,755
* Fidelity	Spartan Extended Market Index Fund	**	6,389,998
* Fidelity	Spartan U.S. Equity Index Fund	**	37,491,917
* Fidelity	Small Cap Stock Fund	**	8,823,748
American	Europacific Growth Fund	**	33,638,238
American	Washington Mutual Investors Fund	**	22,786,169
American	Growth Fund of America	**	11,931,815
T. Rowe Price	Mid-Cap Growth Fund	**	40,814,887
T. Rowe Price	Value Fund	**	20,133,608
Brandywine	Growth Fund	**	18,348,196
Janus	Worldwide Fund	**	22,215,070
Domini	Social Equity Fund	**	1,903,457
Pimco	Total Return Fund	**	34,560,227
Pimco	High Yield Fund	**	3,767,455
Franklin	Small-Cap Growth Fund	**	32,126,515
Templeton	Foreign Fund	**	12,684,510
Goldman Sachs	Mid Cap Value Fund	**	16,479,544
Vanguard	U.S. Growth Fund	**	23,406,175
Vanguard	REIT Index Fund	**	6,087,002
	Total mutual funds		903,326,216
* EMC Corporation	Common Stock	**	46,482,014
	Cash		465,229

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	Total EMC Corporation Stock Fund		46,947,243
*	Participants	Participant loans (interest rate range: 4.75% - 10.5%)	** 17,829,540
	Total		\$ 1,040,824,805

\* Party-in-interest.

\*\* Cost information is not required for participant directed investments and, therefore, is not included.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

**EMC CORPORATION 401(k) SAVINGS PLAN**

By: EMC Corporation 401(k) Oversight and Pension  
Committee, Plan Administrator

Date: June 28, 2005

By: /s/ Paul T. Dacier

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Paul T. Dacier  
Senior Vice President and General Counsel

and Chair of the EMC Corporation 401(k)

Oversight and Pension Committee

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**EXHIBIT INDEX**

Exhibit 23.1 Consent of Independent Registered Public Accounting Firm

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