

EMC returns to profit growth, net income up 58 pct

January 26 2010, By JORDAN ROBERTSON , AP Technology Writer

(AP) -- EMC Corp. said Tuesday that its net income jumped 58 percent in the latest quarter, the first time since the spring of 2008 that profit has risen at the information-management company.

Revenue also ticked higher, and its 2010 forecast was above Wall Street's projections. EMC shares rose 3 percent in pre-market trading.

EMC's results offered the latest signs that corporations' spending on technology is rebounding from depressed [recession](#) levels. The same pattern also appeared this month in the latest numbers from [Intel](#) Corp., which reported strong sales of chips for computer servers, and IBM Corp., whose revenue grew for the first time in a year and half.

EMC is the top maker of data-storage machines, and research firm IDC says parts of the storage market that had been declining have started showing "renewed vigor."

David Goulden, EMC's [chief financial officer](#), said in a statement that EMC is in "the best financial and operational shape ever" coming out of the [downturn](#).

EMC, which is based in Hopkinton, Mass., said before the market opened that it earned \$426.5 million, or 20 cents per share, in the last three months of 2009. That compares with \$269.9 million, or 13 cents per share, a year earlier.

Excluding one-time items, EMC earned 33 cents per share. That was 3 cents per share higher than the average estimate of analysts polled by Thomson Reuters.

EMC's [net income](#) had fallen in each of the previous five quarters as companies tightened their budgets in the financial crisis.

Revenue was \$4.1 billion, an increase of 2 percent. Analysts were expecting flat revenue.

FBR Capital Markets analyst Daniel Ives wrote in a note to clients that EMC's results were "solid" and that EMC should get a lift from the better-than-expected performance reported Monday by VMware Inc. EMC owns a majority of VMware, a maker of software used in corporate data centers.

EMC shares rose 55 cents to \$17.49 in pre-market trading.

For 2010, EMC predicts it will earn \$1.12 per share, excluding items, on \$16.0 billion in revenue. Analysts were predicting \$1.11 in profit and revenue of \$15.5 billion.

For all of 2009, EMC's net income fell 12 percent to \$1.1 billion and revenue slipped 6 percent to \$14.0 billion.

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