

EMC's 3Q net up 58 pct as revenue climbs

October 19 2010, By PETER SVENSSON , AP Technology Writer

(AP) -- EMC Corp., the world's No. 1 maker of data-storage computers, said Tuesday its profit rose 58 percent the third quarter as spending by corporations continued to recover and the winds of technological change blew in its favor.

The Hopkinton, Mass., company also raised its financial forecasts for the rest of the year.

CEO Joe Tucci said EMC is benefiting from the enthusiasm for "cloud computing," which involves running software and storing data on remote servers rather than on local computers.

"To lead this transformational IT wave, EMC remains focused on - and is taking share in - markets that are growing considerably faster than IT as a whole," Tucci said.

For investors, EMC provides indications on the health of the data-storage industry as a whole. Tucci said the company was continuing to see "a slow recovery, albeit with a few bumps in the road."

The U.S., Asia and Latin America were the strongest-growing regions for EMC, with sales expansion above 20 percent. Europe lagged with a 14 percent sales increase.

EMC reported net income of \$472.5 million, or 22 cents per share, for the three months ended Sept. 30, up from \$298.2 million, or 14 cents per share, a year ago. It marked the fourth straight quarter of profit increases

for EMC.

Excluding special items, EMC earned 30 cents per share, matching the average analyst forecast as polled by Thomson Reuters.

Revenue rose almost 20 percent to \$4.21 billion from \$3.52 billion a year ago and topping the \$4.15 billion analysts expected.

In morning trading, EMC shares rose 34 cents to \$21.14. They're close to their 52-week high of \$21.83 set Sept. 24.

EMC said it expects to earn \$1.25 per share, excluding items, for the full fiscal year. That is 4 cents a share more than analysts have been expecting.

It also said it expects revenue of \$16.9 billion, above the \$16.7 billion expected by analysts.

EMC is the majority owner of VMware Inc., a leading provider of virtualization software, another part of the cloud computing puzzle. VMware late Monday reported that its [net income](#) doubled to \$84.6 million in the third quarter.

After cutting 2,400 jobs as part of a restructuring announced last year, EMC and VMware are hiring again. Tucci said they added a combined 1,700 people in the quarter, to end with 47,000 employees.

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