EMC CORP
Form PRER14A
May 24, 2016
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. 5)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

x Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

¨ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material under §240.14a-12

EMC Corporation

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

¨ No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which the transaction applies:

(2) Aggregate number of securities to which the transaction applies:

(3) Per unit price or other underlying value of the transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of the transaction:

(5) Total fee paid:

x Fee paid previously with preliminary materials.

x Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid: $405,723.53

(2) Form, Schedule or Registration Statement No.: Form S-4 (No. 333-208524)

(3) Filing Party: Denali Holding Inc.

(4) Date Filed: December 14, 2015

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The information in this proxy statement/prospectus is subject to completion and amendment. A registration statement relating to the securities described in this proxy statement/prospectus has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This proxy statement/prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration under the securities laws of any such jurisdiction.

PRELIMINARY SUBJECT TO COMPLETION DATED MAY 24, 2016

[ ], 2016

MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT

Dear EMC Corporation Shareholders:

EMC Corporation, referred to as EMC, and Denali Holding Inc., referred to as Denali, have entered into an Agreement and Plan of Merger, dated as of October 12, 2015, as amended by the First Amendment to Agreement and Plan of Merger, dated as of May 16, 2016, referred to collectively as the merger agreement, under which a wholly owned subsidiary of Denali will be merged with and into EMC, and EMC will continue as a wholly owned subsidiary of Denali, which transaction is referred to as the merger. If the merger is completed, EMC shareholders will receive, in exchange for each share of EMC common stock owned immediately prior to the merger, (1) $24.05 in cash, without interest, and (2) a number of validly issued, fully paid and non-assessable shares of common stock of Denali designated as Class V Common Stock, par value $0.01 per share, equal to the quotient (rounded to the nearest five decimal points) obtained by dividing (A) 222,966,450 by (B) the aggregate number of shares of EMC common stock issued and outstanding immediately prior to the effective time of the merger, plus cash in lieu of any fractional shares. The approximately 223 million shares of Class V Common Stock issuable in the merger (assuming EMC shareholders either are not entitled to or do not properly exercise appraisal rights) are intended to track and reflect the economic performance of the Class V Group, which would initially have attributed to it approximately 65% of EMC s current economic interest in the business of VMware, Inc., referred to as VMware, which currently consists of approximately 343 million shares of VMware common stock. The Class V Common Stock is intended to track the performance of such economic interest in the VMware business following the completion of the merger, but there can be no assurance that the market price of the Class V Common Stock will, in fact, reflect the performance of such economic interest. The shares of EMC common stock are listed on the New York Stock Exchange, referred to as the NYSE, under the trading symbol EMC. Denali will apply for listing of the Class V Common Stock on the NYSE under the symbol DVMT. The shares of Class V Common Stock will begin trading following the completion of the merger.

EMC will hold a special meeting of its shareholders to vote on certain matters in connection with the proposed merger. Attendance at the special meeting will be limited as more fully described in the accompanying proxy statement/prospectus.

EMC shareholders are cordially invited to attend the special meeting of EMC shareholders. The special meeting will be held at [ ] (Eastern Time), on [ ], 2016, at EMC s facility at 176 South Street, Hopkinton, Massachusetts 01748. At the special meeting, EMC shareholders will be asked to approve the merger agreement. In addition, EMC shareholders will be asked to approve, on a non-binding, advisory basis, the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger and to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

We cannot complete the merger without the approval of the merger by EMC shareholders. It is important that your shares be represented and voted regardless of the size of your holdings. Whether or not you plan to attend the special meeting, we urge you to submit a proxy to have your shares voted in advance of the special meeting by using one of the methods described in the accompanying proxy statement/prospectus.

The EMC board of directors unanimously recommends that EMC shareholders vote **FOR** the approval of the merger agreement, **FOR** the approval, on a non-binding, advisory basis, of the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger and **FOR** the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

The accompanying proxy statement/prospectus provides important information regarding the special meeting and a detailed description of the merger agreement, the merger, a number of related transactions and agreements, and the matters to be presented at the special meeting. **We urge you to read the accompanying proxy statement/prospectus (and any documents incorporated by reference into the accompanying proxy statement/prospectus) carefully and in its entirety. Please pay particular attention to *Risk Factors* beginning on page 43 of the accompanying proxy statement/prospectus.**

We hope to see you at the special meeting and look forward to the successful completion of the merger.

Sincerely,

[/s/ Joseph M. Tucci]

Joseph M. Tucci

Chairman of the Board and Chief Executive Officer

EMC Corporation

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in connection with the transactions described in the accompanying proxy statement/prospectus or determined that the accompanying proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The accompanying proxy statement/prospectus is dated [ ], 2016 and is first being mailed to EMC shareholders on or about [ ], 2016.

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ADDITIONAL INFORMATION

The accompanying proxy statement/prospectus incorporates important business, financial and other information about EMC from documents that are not included in or delivered with the accompanying proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain documents incorporated by reference into the accompanying proxy statement/prospectus (other than certain exhibits or schedules to these documents) by requesting them in writing, via email or by telephone from EMC or Denali at the following addresses and telephone numbers:

Denali Holding Inc.	EMC Corporation
One Dell Way	176 South Street
Round Rock, Texas 78682	Hopkinton, Massachusetts 01748
Attention: Investor Relations	Attention: Investor Relations
Email: investor_relations@dell.com	Email: emc_ir@emc.com
Telephone: (512) 728-7800	Telephone: (508) 435-1000

In addition, if you have questions about the merger or the accompanying proxy statement/prospectus, would like additional copies of the accompanying proxy statement/prospectus or need to obtain proxy cards or other information related to the proxy solicitation, please contact Innisfree M&A Incorporated, EMC s proxy solicitor, toll-free at (888) 750-5834 or collect at (212) 750-5833. You will not be charged for any of these documents that you request.

If you would like to request documents, please do so no later than five business days before the date of the special meeting of shareholders (which is [ ], 2016) to receive them before the special meeting.

See *Where You Can Find More Information* for information on how you can obtain copies of the incorporated documents or view them via the Internet.

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EMC CORPORATION

176 South Street

Hopkinton, Massachusetts 01748

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON [ ], 2016

[ ], 2016

To the Shareholders of EMC Corporation:

A special meeting of shareholders of EMC Corporation, a Massachusetts corporation, referred to as EMC, will be held at [ ] (Eastern Time), on [ ], 2016, at EMC s facility at 176 South Street, Hopkinton, Massachusetts 01748. At the special meeting, shareholders will be asked to take the following actions:

to approve the Agreement and Plan of Merger, dated as of October 12, 2015, as amended by the First Amendment to Agreement and Plan of Merger, dated as of May 16, 2016, referred to as the amendment, as so amended and as it may be amended from time to time, referred to collectively as the merger agreement, among Denali Holding Inc., a Delaware corporation, referred to as Denali, Dell Inc., a Delaware corporation, referred to as Dell, Universal Acquisition Co., a Delaware corporation and wholly owned subsidiary of Denali, referred to as Merger Sub, and EMC, pursuant to which Merger Sub will be merged with and into EMC, and EMC will continue as a wholly owned subsidiary of Denali (which transaction is referred to as the merger) (a composite copy of the merger agreement incorporating the amendment into the text of the initial agreement is attached as *Annex A* to the accompanying proxy statement/prospectus);

to approve, on a non-binding, advisory basis, the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger; and

to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

EMC will transact no other business at the special meeting except such business as may properly be brought before the special meeting or any adjournment or postponement thereof. Please refer to the accompanying proxy statement/prospectus for further information with respect to the business to be transacted at the special meeting.

The EMC board of directors has fixed the close of business on [ ], 2016 as the record date for the special meeting. Only holders of record of EMC common stock as of the record date are entitled to notice of, and to vote at, the special meeting and any adjournment or postponement thereof.

Attendance at the special meeting will be limited to EMC shareholders as of the record date and to guests of EMC, as more fully described under *Special Meeting of EMC Shareholders Date, Time and Location* beginning on page 153 of the accompanying proxy statement/prospectus. If you are a shareholder and plan to attend, you **MUST** pre-register for the special meeting no later than [ ], 2016, by visiting [*www.emc.com/specialmeeting*] and completing the registration form. Shareholders who come to the special meeting, but have not registered electronically, will also be required to present evidence of stock ownership as of [ ], 2016. You can obtain this evidence from your broker, bank, trust company or other nominee or intermediary, referred to as a nominee or intermediary, typically in the form of your most recent monthly statement. All shareholders who attend the meeting will be required to present valid government-issued picture identification, such as a driver s license or passport, and will be subject to security screenings.

Approval of the merger agreement requires the affirmative vote, in person or by proxy, of holders of a majority of the outstanding shares of EMC common stock entitled to vote as of the record date for the special meeting. The approval, on a non-binding, advisory basis, of the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger requires the affirmative vote, in person or by proxy, of holders of a majority of the shares of EMC common stock represented at the special meeting and entitled to vote thereon.

Under the Massachusetts Business Corporation Act, referred to as the MBCA, EMC is required to state whether it has concluded that EMC shareholders are, are not or may be entitled to assert appraisal rights, which are generally available to shareholders of a merging Massachusetts corporation under Section 13.02(a)(1) of the MBCA subject to certain exceptions. For the reasons described in the accompanying proxy statement/prospectus, EMC has concluded that EMC shareholders may be entitled to appraisal rights. The relevant provisions of the MBCA have not been the subject of judicial interpretation and EMC and Denali reserve the right to contest the validity and availability of any purported demand for appraisal rights in connection with the merger. In this regard, Denali has indicated that in any appraisal proceeding it will assert, and will cause EMC as its wholly owned subsidiary following completion of the merger to assert, that an exception to appraisal rights is applicable to the merger. Any shareholder seeking to assert appraisal rights should carefully review the procedures described in the accompanying proxy statement/prospectus. A copy of the applicable provisions of the MBCA is attached as *Annex E* to the accompanying proxy statement/prospectus.

The EMC board of directors unanimously recommends that EMC shareholders vote **FOR** the approval of the merger agreement, **FOR** the approval, on a non-binding, advisory basis, of the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger and **FOR** the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

Your vote is very important. Whether or not you expect to attend the special meeting in person, we urge you to submit a proxy as promptly as possible by (1) accessing the Internet website specified on your proxy card, (2) calling the toll-free number specified on your proxy card or (3) marking, signing, dating and returning the enclosed proxy card in the postage-paid envelope provided, so that your shares may be represented and voted at the special meeting. If your shares are held in the name of a nominee or intermediary, please follow the instructions on the voting instruction card furnished by the record holder.

We urge you to read the accompanying proxy statement/prospectus, including all documents incorporated by reference into the accompanying proxy statement/prospectus, and its annexes carefully and in their entirety. In particular, see *Risk Factors* beginning on page 43 of the accompanying proxy statement/prospectus. If you have any questions concerning the merger, the merger agreement, the non-binding, advisory vote on the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger, the special meeting or the accompanying proxy statement/prospectus, would like additional copies of the accompanying proxy statement/prospectus or need help submitting a proxy to have your shares of EMC common stock voted, please contact EMC s proxy solicitor:

Innisfree M&A Incorporated

501 Madison Avenue, 20th floor

New York, New York 10022

Shareholders may call toll free: (888) 750-5834

Banks and Brokers may call collect: (212) 750-5833

By Order of the Board of Directors,

[/s/ Paul T. Dacier]

Paul T. Dacier

Executive Vice President, General Counsel and

Assistant Secretary

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ABOUT THIS PROXY STATEMENT/PROSPECTUS

This proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed by Denali with the U.S. Securities and Exchange Commission, constitutes a prospectus of Denali under Section 5 of the Securities Act of 1933, as amended, with respect to the shares of Class V Common Stock to be issued to EMC shareholders as consideration in the merger. This proxy statement/prospectus also constitutes a proxy statement for EMC under Section 14(a) of the Securities Exchange Act of 1934, as amended. In addition, it constitutes a notice of meeting with respect to the special meeting of EMC shareholders.

You should rely only on the information contained in or incorporated by reference into this proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in or incorporated by reference into this proxy statement/prospectus. This proxy statement/prospectus is dated [ ], 2016. You should not assume that the information contained in this proxy statement/prospectus is accurate as of any date other than that date. You should not assume that the information incorporated by reference into this proxy statement/prospectus is accurate as of any date other than the date of such information. The mailing of this proxy statement/prospectus to EMC shareholders will not create any implication to the contrary.

This proxy statement/prospectus shall not constitute an offer to sell, or the solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation. Information contained in this proxy statement/prospectus regarding Denali has been provided by Denali and information contained in this proxy statement/prospectus regarding EMC has been provided by EMC.

Unless otherwise indicated or as the context otherwise requires, a reference in this proxy statement/prospectus to:

- amendment refers to the First Amendment to Agreement and Plan of Merger, dated as of May 16, 2016, among Denali, Dell, Merger Sub and EMC;

- Class V Common Stock refers to the series of Denali common stock, par value $0.01 per share, designated as Class V Common Stock;

- Dell refers to Dell Inc., a Delaware corporation, or, as the context requires, to Dell Inc. and its consolidated subsidiaries;

- Dell International refers to Dell International LLC, a Delaware limited liability company and wholly owned subsidiary of Dell;

- Denali refers to Denali Holding Inc., a Delaware corporation, before the closing on October 29, 2013 of the going-private transaction referred to in this proxy statement/prospectus, and Denali Holding Inc. or, as the context requires, to Denali Holding Inc. and its consolidated subsidiaries from and after such closing;

Denali bylaws refers to the Amended and Restated Bylaws of Denali Holding Inc., which will be amended and restated prior to the effective time of the merger, a copy of which is attached as *Annex C* to this proxy statement/prospectus;

Denali certificate refers to the Fourth Amended and Restated Certificate of Incorporation of Denali Holding Inc., which will be filed with the Secretary of State of the State of Delaware prior to the effective time of the merger, a copy of which is attached as *Annex B* to this proxy statement/prospectus;

Denali Intermediate refers to Denali Intermediate, Inc., a Delaware corporation;

Denali Tracking Stock Policy refers to the Tracking Stock Policy Statement regarding DHI Group and Class V Group Matters, a copy of which is attached as *Annex D* to this proxy statement/prospectus;

DGCL refers to the General Corporation Law of the State of Delaware, as amended;

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DHI Group common stock refers collectively to the series of Denali common stock, each with a par value $0.01 per share, designated as Class A Common Stock, Class B Common Stock, Class C Common Stock and Class D Common Stock;

DOJ refers to the U.S. Department of Justice;

EMC refers to EMC Corporation, a Massachusetts corporation;

EMC articles refers to the Restated Articles of Organization of EMC;

EMC bylaws refers to the Amended and Restated Bylaws of EMC;

EMC common stock refers to EMC common stock, par value $0.01 per share;

Evercore refers to Evercore Group L.L.C.;

Exchange Act refers to the Securities Exchange Act of 1934, as amended;

exchange agent refers to American Stock Transfer & Trust Company, LLC;

FTC refers to the U.S. Federal Trade Commission;

GAAP refers to U.S. Generally Accepted Accounting Principles;

going-private agreement refers to the Agreement and Plan of Merger, dated as of February 5, 2013, as amended, pursuant to which the going-private transaction of Dell was effected;

going-private consideration refers to the consideration paid to the public stockholders of Dell in connection with the going-private transaction of Dell;

going-private transaction refers to the acquisition of Dell by Denali on October 29, 2013 in which the public stockholders of Dell received cash for their shares of Dell common stock;

HSR Act refers to the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended;

Internal Revenue Code refers to the U.S. Internal Revenue Code of 1986, as amended;

MBCA refers to the Massachusetts Business Corporation Act;

MD stockholders refers to Michael S. Dell and the Susan Lieberman Dell Separate Property Trust and any person to whom either of them would be permitted to transfer any equity securities of Denali under the Denali certificate;

merger refers to the merger of Merger Sub with and into EMC, as a result of which the separate corporate existence of Merger Sub will cease, and EMC will continue as a wholly owned subsidiary of Denali;

merger agreement refers to the Agreement and Plan of Merger, dated as of October 12, 2015, as amended by the amendment and as it may be amended from time to time, among Denali, Dell, Merger Sub and EMC, a composite copy of which, incorporating the text of the amendment into the initial agreement, is attached as *Annex A* to this proxy statement/prospectus;

merger consideration refers to the consideration, per share of EMC common stock, to be received by EMC shareholders in the merger, consisting of:

- $24.05 in cash, without interest, and

- a number of shares of validly issued, fully paid and non-assessable shares of Class V Common Stock equal to the quotient (rounded to the nearest five decimal points) obtained by dividing (1) 222,966,450 by (2) the aggregate number of shares of EMC common stock issued and outstanding immediately prior to the effective time of the merger, plus cash in lieu of any fractional shares;

Merger Sub refers to Universal Acquisition Co., a Delaware corporation and wholly owned subsidiary of Denali;

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Morgan Stanley refers to Morgan Stanley & Co. LLC;

MSD Partners means MSD Partners, L.P. and its affiliates (other than Michael S. Dell for so long as Michael S. Dell serves as the chief executive officer of Denali);

MSD Partners stockholders refers to MSDC Denali Investors, L.P., a Delaware limited partnership, and MSDC Denali EIV, LLC, a Delaware limited liability company and any person to whom either of them would be permitted to transfer any equity securities of Denali under the Denali certificate;

Nasdaq refers to the Nasdaq Stock Market;

Number of Retained Interest Shares refers to the proportionate undivided interest, if any, that the DHI Group may be deemed to hold in the assets, liabilities and businesses of the Class V Group in accordance with the Denali certificate, as described in this proxy statement/prospectus;

NYSE refers to the New York Stock Exchange;

Pivotal refers to Pivotal Software, Inc., a Delaware corporation;

record date refers, as to the EMC shareholders entitled to receive notice of, and to vote at, the special meeting of EMC shareholders, to the close of business on [ ], 2016;

retained interest, or inter-group interest in the Class V Group, refers to the economic interest in the Class V Group that is attributed to the holders of the DHI Group common stock and not to the holders of the Class V Common Stock, which retained interest is expressed in terms of the Number of Retained Interest Shares;

SEC refers to the U.S. Securities and Exchange Commission;

Securities Act refers to the Securities Act of 1933, as amended;

Silver Lake Partners refers to Silver Lake Management Company III, L.L.C., Silver Lake Management Company IV, L.L.C. and their respective affiliated management companies and investment vehicles;

SLP stockholders refers to Silver Lake Partners III, L.P., a Delaware limited partnership, Silver Lake Technology Investors III, L.P., a Delaware limited partnership, Silver Lake Partners IV, L.P., a Delaware limited partnership, Silver Lake Technology Investors IV, L.P., a Delaware limited partnership, and SLP

Denali Co-Invest, L.P. and any person to whom any of them would be permitted to transfer any equity securities of Denali under the Denali certificate;

Temasek refers to Venezio Investments Pte. Ltd., an affiliate of Temasek Holdings (Private) Limited;

VMware refers to VMware, Inc., a Delaware corporation;

VMware common stock refers to Class A common stock, par value $0.01 per share, and Class B common stock, par value $0.01 per share, of VMware;

VMware intercompany notes refers to (1) the $680,000,000 Promissory Note due May 1, 2018, issued by VMware in favor of EMC, (2) the $550,000,000 Promissory Note, due May 1, 2020, issued by VMware in favor of EMC and (3) the $270,000,000 Promissory Note due December 1, 2022, issued by VMware in favor of EMC; and

we, our or us refers to Denali, Dell or EMC, as the context requires.

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QUESTIONS AND ANSWERS

The following questions and answers are intended to address briefly some commonly asked questions regarding the merger and matters to be addressed at the special meeting. The questions and answers below are preceded by a brief summary of some of the material terms of the merger transaction and the Class V Common Stock that will be issued to EMC shareholders if the merger is completed. These questions and answers may not address all of the questions that may be important to EMC shareholders. To better understand these matters, and for a description of the legal terms governing the merger, you should carefully read this entire proxy statement/prospectus, including the attached annexes, as well as the documents that have been incorporated by reference into this proxy statement/prospectus. See *Where You Can Find More Information* for information on how you can obtain copies of the incorporated documents or view them via the Internet.

Summary of Certain Material Terms of the Merger and the Class V Common Stock

- On October 12, 2015, EMC entered into the merger agreement with Denali and two subsidiaries of Denali. The merger agreement provides that, subject to its terms and conditions, a subsidiary of Denali will be merged with and into EMC.

- If the merger is completed, EMC shareholders will receive in exchange for each share of EMC common stock owned immediately prior to the merger (1) $24.05 in cash, without interest, and (2) approximately 0.111 shares of Denali Class V Common Stock based on Denali s current estimates. The specific number of shares of Class V Common Stock to be received in the merger will be determined pursuant to a formula that is described elsewhere in this proxy statement/prospectus. While the cash portion of the merger consideration is known, the value of the Class V Common Stock merger consideration that EMC shareholders will receive is uncertain. See *The Merger Agreement Merger Consideration, Risk Factors Risk Factors Relating to the Merger Because there is no established trading market or market price of Class V Common Stock, the value of the merger consideration that EMC shareholders will receive in the merger is uncertain* and *Between the date the merger agreement was entered into and the date of this proxy statement/prospectus, the market value of the VMware Class A common stock has declined, thereby reducing the implied value of the stock portion of the merger consideration. Changes in the market value of the VMware Class A common stock also will impact the amount of cash that holders of EMC common stock will receive in the merger in lieu of fractional shares of Class V Common Stock.*

- The Class V Common Stock is a type of common stock that is commonly referred to as a tracking stock. The approximately 223 million shares of Class V Common Stock issuable in the merger are intended to track the economic performance of approximately 65% of Denali s economic interest in the Class V Group (described in the next bullet) following the completion of the merger (the remaining approximately 35% economic interest in the Class V Group is initially intended to be tracked by the DHI Group common stock as a result of the DHI Group s retained interest in the Class V Group).

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The Class V Group will initially consist of EMC s economic interest in the VMware business, which currently consists of approximately 343 million shares of VMware common stock. See *Description of Denali Capital Stock Following the Merger*. Below is a diagram identifying the Denali businesses that will initially be attributed to the DHI Group and the Class V Group:

The number of shares of Class V Common Stock to be issued initially will have a one-to-one relationship to approximately 65% of the number of shares of VMware common stock currently owned by EMC. However, the VMware Class A common stock and the Class V Common Stock have different characteristics and Denali expects there may not be a direct correlation in the potential market price of Class V Common Stock to the market price of VMware Class A common stock, and EMC shareholders should not rely on the market price of the VMware Class A common stock to value the Class V Common Stock. These characteristics include (among others):

Although the Class V Group is initially intended to track Denali s economic interest in the shares of VMware common stock attributed to it, the Class V Group may in the future have different assets and liabilities attributed to it. Denali will have the ability to attribute other assets or liabilities to the Class V Group in exchange for assets and liabilities having an equivalent fair market value, in each case as authorized and determined by the Denali board of directors with the

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consent of its Capital Stock Committee. See *Description of Denali Tracking Stock Policy Relationship between the DHI Group and the Class V Group*. Any such alteration of assets and liabilities attributed to the Class V Group may result in Denali s economic interest in all or part of the shares of VMware common stock initially attributed to the Class V Group being attributed to the DHI Group and may also result in a change to the amount of the DHI Group s retained interest in the Class V Group. See *Description of Denali Capital Stock Following the Merger Denali Common Stock Certain Adjustments to the Number of Retained Interest Shares*.

The Class V Common Stock is subject to the credit risk of Denali. The DHI Group and the Class V Group are not separate legal entities and cannot own assets, and as a result, holders of Class V Common Stock will not have a direct claim to, or any special legal rights related to, specific assets attributed to the Class V Group and Denali s tracking stock capitalization will not limit Denali s legal responsibility, or that of Denali s subsidiaries, for their respective debts and liabilities. See *Questions and Answers Will the Class V Common Stock have exposure to credit risk at Denali?* and *Risk Factors Risk Factors Relating to Denali s Proposed Tracking Stock Structure Holders of Class V Common Stock will be common stockholders of Denali and will be, therefore, subject to risks associated with an investment in Denali as a whole*.

The Class V Common Stock is common stock of Denali and the holders of Class V Common Stock will not have voting rights at the VMware level. See *Questions and Answers What will be the voting rights of the series of stock of Denali after the merger?*

The Denali board of directors may in certain circumstances elect to (1) convert all of the Class V Common Stock into publicly-traded Class C Common Stock of Denali or (2) redeem the Class V Common Stock in exchange for shares of common stock of VMware, publicly-traded shares of common stock of a wholly owned subsidiary of Denali owning the assets attributed to the Class V Group, cash or a combination thereof. The rights of any securities that may be received in a conversion or in redemption may be significantly different from the Class V Common Stock. See *Description of Denali Capital Stock Following the Merger Denali Common Stock Redemption for VMware Common Stock*, *Redemption for Securities of Class V Group Subsidiary*, *Dividend, Redemption or Conversion in Case of Class V Group Disposition* and *Description of Denali Capital Stock Following the Merger Conversion*.

The NYSE has proposed new listing standards for a tracking stock, which the NYSE refers to as an Equity Investment Tracking Stock, that tracks the performance of an investment by the issuer in the common equity of another company listed on the NYSE, such as VMware. The NYSE listing standards as so proposed would allow for the listing of the Class V Common Stock, but no assurances can be given that such listing standards will be adopted in the proposed form. Under the proposed new listing standards, the Class V Common Stock could be delisted in certain circumstances, which delisting would materially adversely affect the liquidity and value of the Class V Common Stock. For example, any alteration of assets and liabilities attributed to the Class V Group that results in the Class V Common Stock ceasing to track the performance of VMware Class A common stock could result in the delisting of the Class V Common Stock. See *Risk Factors Risk Factors Relating to Denali s Proposed Tracking Stock Structure The NYSE has published new listing standards for a tracking stock of the type such as the Class V Common Stock, which tracks the performance of an investment by the issuer in the common equity of another company listed on the NYSE, such as VMware* and *The new listing standards proposed by the NYSE include certain requirements to maintain the listing of an Equity Investment Tracking Stock. If the Class V Common Stock were delisted because of the* *failure to meet any of such requirements, the liquidity and value of the Class V Common Stock would be materially adversely affected* and *Proposal 1: Approval of the Merger Agreement Listing of Shares of Class V Common Stock and Delisting and Deregistration of EMC Common Stock*.

In addition, tracking stocks have often historically traded at a discount to the estimated value of the underlying business they are intended to track. Accordingly, although the Class V Common Stock is

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intended to track the performance of a portion of Denali s economic interest in the VMware business following the completion of the merger, there can be no assurance that the market price of the Class V Common Stock will, in fact, reflect the performance of such interest. Tracking stocks are relatively uncommon financing structures, and we are not aware of any current or historical examples of a tracking stock that is intended to track solely an interest in another publicly-traded company (other than the proposed Class V Common Stock).

Immediately following the completion of the merger, it is expected that, for matters on which all holders of Denali common stock are entitled to vote, the number of votes to which holders of Class V Common Stock would be entitled will represent approximately 4% of the total number of votes to which all holders of Denali common stock will be entitled. The members of the Denali board of directors will be divided into three groups and holders of Class V Common Stock will have voting rights with respect to the election of only one of the three groups. Following the completion of the merger, Denali will qualify as a controlled company under NYSE rules and will qualify for exemptions from certain corporate governance requirements. As a result, holders of Class V Common Stock will not have the same protections afforded to stockholders of companies subject to all of the corporate governance requirements of the NYSE. Denali expects that a majority of its directors will not be independent under NYSE rules and that it will not establish fully independent compensation and nominating committees. Even though Denali will be a controlled company, it will be required to comply with the rules of the SEC and the NYSE relating to the membership, qualifications and operations of the audit committee of the board of directors. Denali expects that each of the three directors who will serve on Denali s audit committee will qualify as an independent director. Denali is also required to maintain a Capital Stock Committee, a majority of whose members must be independent. See *Management of Denali after the Merger Board of Directors* and *Committees of the Board of Directors* and *Risk Factors Risk Factors Relating to the Combined Company Upon the listing of the shares of Class V Common Stock on the NYSE, Denali will be a controlled company within the meaning of NYSE rules and, as a result, will qualify for, and intends to rely on, exemptions from certain corporate governance requirements. Holders of Class V Common Stock will therefore not have the same protections afforded to stockholders of companies that are subject to such requirements.*

Questions and Answers Regarding the Merger and the Special Meeting

Q: Why am I receiving this proxy statement/prospectus?

A: This proxy statement/prospectus serves as both a proxy statement of EMC for the special meeting of EMC shareholders to be held to obtain shareholder approval of the merger agreement and take the other actions described in this document, and as a prospectus of Denali relating to its offering of the Class V Common Stock to be issued to EMC shareholders as merger consideration pursuant to the merger agreement.

Denali and EMC have agreed to a merger, pursuant to which EMC shareholders will receive the merger consideration described in this proxy statement/prospectus and EMC will become a wholly owned subsidiary of Denali and will no longer be a publicly held corporation. In order for Denali and EMC to complete the merger, EMC shareholders must approve the merger agreement.

EMC is holding a special meeting of shareholders to obtain the shareholder approval necessary to approve the merger agreement. In addition, EMC shareholders will also be asked to approve, on a non-binding, advisory basis, the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger and to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement. EMC s named executive officers are identified under *Proposal 1: Approval of the Merger Agreement Interests of Certain EMC Directors and Officers*.

Your vote is very important. We encourage you to submit a proxy as soon as possible to have your shares of EMC common stock voted.

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Q: What will EMC shareholders receive in the merger?

A: If the merger is completed, each share of EMC common stock (other than shares owned by Denali, Merger Sub, EMC or any of its wholly owned subsidiaries, and other than shares with respect to which EMC shareholders are entitled to and properly exercise appraisal rights) automatically will be converted into the right to receive the merger consideration, consisting of (1) $24.05 in cash, without interest, and (2) a number of shares of validly issued, fully paid and non-assessable Class V Common Stock equal to the quotient (rounded to the nearest five decimal points) obtained by dividing (A) 222,966,450 by (B) the aggregate number of shares of EMC common stock issued and outstanding immediately prior to the effective time of the merger, plus cash in lieu of any fractional shares. Based on the number of shares of EMC common stock we currently expect will be issued and outstanding immediately prior to the completion of the merger, we estimate that EMC shareholders will receive in the merger approximately 0.111 shares of Class V Common Stock for each share of EMC common stock.

Q: What is the Class V Common Stock?

A: The Class V Common Stock is a type of common stock commonly referred to as a tracking stock (as described below) and is intended to track the performance of a portion of Denali s economic interest in the VMware business following the completion of the merger. However, there can be no assurance that the market price of the Class V Common Stock will, in fact, reflect the performance of such economic interest. The approximately 223 million shares of Class V Common Stock issuable in the merger (assuming EMC shareholders either are not entitled to or do not properly exercise appraisal rights) are intended to track and reflect the economic performance of approximately 65% of EMC s current economic interest in the VMware business, which currently consists of approximately 343 million shares of VMware common stock. The number of shares of Class V Common Stock to be issued initially will have a one-to-one relationship to approximately 65% of the number of shares of VMware common stock currently owned by EMC.

Q: What are your expectations about how the market price of the Class V Common Stock will correlate with the performance of the economic interest in the VMware business it is intended to track or with the market price of the VMware Class A common stock?

A: The Class V Common Stock is intended to track the performance of a portion of Denali s economic interest in the VMware business, but there can be no assurance that the market price of the Class V Common Stock will, in fact, reflect the performance of such economic interest. Further, while investors may view the market price of the VMware Class A common stock as relevant to a valuation of the VMware business, because the Class V Common Stock and the VMware Class A common stock have different characteristics, as discussed above, which we expect may affect their respective market prices in distinct ways, the market prices of the two stocks may not be directly correlated. Tracking stocks often trade at a discount to the estimated value of the assets or businesses they are intended to track.

Q: What happens if the merger is not completed?

A: If the merger is not completed for any reason, EMC shareholders will not receive any consideration for their shares of EMC common stock, EMC will remain an independent public company and EMC common stock will continue to be traded on the NYSE. In addition, in certain circumstances, EMC or Denali may be required to pay a termination fee to the other party following the termination of the merger agreement. See *The Merger Agreement Termination Fees*.

Q: If I am an EMC shareholder, how will I receive the merger consideration to which I am entitled?

A: After receiving proper documentation from you, following the effective time of the merger, the exchange agent will forward to you Class V Common Stock, the cash portion of the merger consideration and any cash in lieu of fractional shares to which you are entitled. For additional information about the exchange of shares of EMC common stock for shares of Class V Common Stock and cash, see *Proposal 1: Approval of the Merger Agreement Exchange of Shares in the Merger*.

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Q: When and where will the special meeting be held?

A: The special meeting will be held at [ ] (Eastern Time), on [ ], 2016, at EMC s facility at 176 South Street, Hopkinton, Massachusetts 01748.

Q: Who is entitled to vote at the special meeting?

A: Only holders of record of EMC common stock as of the record date, the close of business on [ ], 2016, are entitled to vote at the special meeting and any adjournment or postponement thereof. As of the record date, there were [ ] shares of EMC common stock outstanding. Each outstanding share of EMC common stock is entitled to one vote.

Q: Who may attend the special meeting?

A: Attendance at the special meeting will be limited to EMC shareholders as of the record date and to pre-approved guests of EMC. ***All shareholder guests must be pre-approved by EMC and will be limited to spouses, persons required for medical assistance and properly authorized representatives of EMC shareholders as of the record date***. If you are a shareholder and plan to attend, you **MUST** pre-register for the special meeting no later than [ ], 2016, by visiting [*www.emc.com/specialmeeting*] and completing the registration form. Shareholders who come to the special meeting, but have not registered electronically, will also be required to present evidence of stock ownership as of [ ], 2016. You can obtain this evidence from your broker, bank, trust company or other nominee or intermediary, typically in the form of your most recent monthly statement. All shareholders who attend the meeting will be required to present valid government-issued picture identification, such as a driver s license or passport, and will be subject to security screenings.

The special meeting is a private business meeting. In accordance with the EMC bylaws, EMC s chairman of the board of directors or other presiding officer has the right and authority to adjourn the special meeting and to determine and maintain the rules, regulations and procedures for the conduct of the special meeting, including, but not limited to, maintaining order and the safety of those in attendance, dismissing business not properly submitted, opening and closing the polls for voting and limiting time allowed for discussion of the business at the special meeting. Failure to abide by the special meeting rules will not be tolerated and may result in expulsion from the special meeting. A copy of the special meeting rules will be provided to all properly pre-registered shareholders and guests. Cameras, recording devices and other electronic devices will not be permitted at the special meeting.

If you have a disability, EMC can provide reasonable assistance to help you participate in the special meeting. If you plan to attend the special meeting and require assistance, please write or call EMC s Office of the Secretary no later than [ ], 2016, at 176 South Street, Hopkinton, Massachusetts 01748, telephone number (508) 435-1000.

Q: What are EMC shareholders being asked to vote on?

A: EMC shareholders are being asked to vote on the following proposals:

- to approve the merger agreement, pursuant to which Merger Sub will be merged with and into EMC, and as a result of which the separate corporate existence of Merger Sub will cease and EMC will continue as a wholly owned subsidiary of Denali;

- to approve, on a non-binding, advisory basis, the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger; and

- to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

The approval of the merger agreement by EMC shareholders is a condition to the obligations of Denali and EMC to complete the merger. Approval of the other proposals is not a condition to the completion of the merger.

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Q: Are there any important risks about the merger or Denali s business of which I should be aware?

A: Yes, there are important risks involved. Before making any decision on how to vote, you are urged to read the section *Risk Factors* carefully and in its entirety.

Q: How does the EMC board of directors recommend that EMC shareholders vote?

A: The EMC board of directors unanimously determined that the merger agreement and the transactions contemplated thereby, including the proposed merger, are advisable and in the best interests of EMC and its shareholders, and unanimously resolved to approve and adopt the merger agreement and the transactions contemplated thereby, including the proposed merger.

The EMC board of directors unanimously recommends that EMC shareholders vote **FOR** the approval of the merger agreement.

The EMC board of directors also unanimously recommends that EMC shareholders vote **FOR** the approval, on a non-binding, advisory basis, of the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger and **FOR** the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement. For information about these proposals, see *Proposal 1: Approval of the Merger Agreement EMC s Reasons for the Merger; Recommendation of the EMC Board of Directors*, *Proposal 2: Non-Binding, Advisory Vote on Compensation of Named Executive Officers* and *Proposal 3: Adjournment of Special Meeting of EMC Shareholders*.

Q: How do I vote?

A: You may vote in person at the special meeting or you may designate another person your proxy to vote your shares of EMC common stock. The written document used to designate someone as your proxy also is called a proxy or proxy card. We urge you to submit a proxy to have your shares voted even if you plan to attend the special meeting. You may always change your vote at the special meeting.

If you are a shareholder of record for the special meeting, then you may have your shares voted at the special meeting in person or by submitting a proxy over the Internet, by mail or by telephone by following the instructions on your proxy card. The deadline for voting by proxy over the Internet or by telephone for the special meeting is [ ] (Eastern Time) on [ ], 2016.

If you are a beneficial owner and hold your shares in street name, or through a nominee or intermediary, such as a bank or broker, you will receive separate instructions from your nominee or intermediary describing how to vote your shares. The availability of Internet or telephonic voting will depend on the intermediary s voting process. Please check with your nominee or intermediary and follow the voting instructions provided by your nominee or intermediary with these materials.

If you hold shares of EMC common stock through your participation in the EMC Corporation 401(k) Savings Plan, the EMC Corporation Deferred Compensation Retirement Plan or the VMware Inc. 401(k) Savings Plan, your voting instructions must be received by the plan trustee by [ ] (Eastern Time) on [ ], 2016, for the trustee to vote your shares. You may not vote these shares in person at the special meeting.

Q: What is a broker non-vote ?

A: Under NYSE rules, brokers and other nominees may use their discretion to vote uninstructed shares with respect to matters that are considered to be routine, but not with respect to non-routine matters. Non-routine matters are matters that may substantially affect the rights or privileges of shareholders, such as mergers, shareholder proposals, elections of directors (even if not contested), executive compensation (including any advisory shareholder votes on executive compensation) and certain corporate governance proposals, even if management-supported. A broker non-vote occurs on an item when a nominee or intermediary has discretionary authority to vote on one or more proposals to be voted on at a meeting of shareholders but is not permitted to vote on other proposals without instructions from the beneficial owner of the shares and the beneficial owner fails to provide the nominee or intermediary with such instructions. Because none of the proposals to be voted on at the special meeting are routine matters for which brokers may have discretionary authority to vote, EMC does not expect any broker non-votes at the special meeting.

Q: What EMC shareholder vote is required for (1) the approval of the merger agreement, (2) the approval, on a non-binding, advisory basis, of the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger and (3) the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement, and what happens if I abstain or fail to vote?

A: The following are the vote requirements:

Approval of the Merger Agreement: The affirmative vote, in person or by proxy, of holders of a majority of the outstanding shares of EMC common stock entitled to vote as of the record date for the special meeting is required to approve the merger agreement. Accordingly, an abstention or failure to vote or a broker non-vote will have the same effect as a vote **AGAINST** the approval of the merger agreement.

Non-Binding, Advisory Approval of Compensation Payments: The affirmative vote of a majority of the votes cast, in person or by proxy, at the special meeting is required to approve, on a non-binding, advisory basis, the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger. Abstentions and broker non-votes are not considered votes cast and, therefore, will have no effect on the proposal.

Approval of Adjournment of Special Meeting of EMC Shareholders: The affirmative vote of a majority of the votes cast, in person or by proxy, at the special meeting is required to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement. Abstentions and broker non-votes are not considered votes cast and, therefore, will have no effect on the proposal.

Because none of the proposals to be voted on at the special meeting are routine matters for which brokers may have discretionary authority to vote, EMC does not expect any broker non-votes at the special meeting.

Q: What constitutes a quorum for the special meeting?

A: A majority of the shares of EMC common stock outstanding on the record date entitled to vote must be present, in person or represented by proxy, to constitute a quorum at the special meeting. Abstentions and broker non-votes will be counted as present in determining the existence of a quorum. Because none of the proposals to be voted on at the special meeting are routine matters for which brokers may have discretionary authority to vote, EMC does not expect any broker non-votes at the special meeting.

Q: If my shares are held in street name by my bank, brokerage firm, dealer, trust company or other nominee, will my bank, brokerage firm, dealer, trust company or other nominee automatically vote my shares for me?

A: No. Your bank, brokerage firm, dealer, trust company or other nominee will not vote your shares if you do not provide your bank, brokerage firm, dealer, trust company or other nominee with a signed voting instruction form with respect to your EMC common stock. Therefore, you should instruct your bank, brokerage firm, dealer, trust company or other nominee to vote your EMC common stock by following the directions your bank, brokerage firm, dealer, trust company or other nominee provides.

Because banks, brokerage firms, dealers, trust companies and other nominees do not have discretionary voting authority with respect to any of the proposals at the special meeting, if a beneficial owner of EMC common stock held in street name does not give voting instructions to the bank, brokerage firm, dealer, trust company or other nominee for any proposals, then those shares will not be counted as votes cast for or

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against any of the proposals and will not be counted for purposes of determining whether a quorum is present at the special meeting.

If you hold shares of EMC common stock through your participation in the EMC Corporation 401(k) Savings Plan and you do not give instructions about how your shares are to be voted, the plan trustee will vote your shares in the same manner, proportionally, as it votes the other shares of EMC for which proper and timely instructions of other plan participants have been received by the plan trustee. If you hold shares of EMC common stock through your participation in the EMC Corporation Deferred Compensation Retirement Plan or the VMware Inc. 401(k) Savings Plan and do you not give instructions about how your shares are to be voted, the plan trustee may not vote your shares at all.

Q: What will happen if I return my proxy card without indicating how to vote?

A: If you return your signed and dated proxy card without indicating how to vote your shares on any particular proposal, the EMC common stock represented by your proxy will be voted in accordance with the recommendation of the board of directors. The EMC board of directors has recommended that such proxy cards be voted **FOR** the approval of the merger agreement, **FOR** the approval, on a non-binding, advisory basis, of the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger and **FOR** the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

Q: Is my vote important?

A: Yes, your vote is very important. The merger cannot be completed without the approval of the merger agreement by EMC shareholders.

The EMC board of directors unanimously recommends that EMC shareholders vote **FOR** the approval of the merger agreement.

Q: May I revoke my proxy or change my voting instructions?

A: Yes. You may revoke your proxy or change your voting instructions at any time before your shares are voted at the special meeting.

If you are a holder of record as of the record date, you may revoke your proxy by:

- sending a signed, written notice stating that you revoke your proxy to the Corporate Secretary, at EMC s offices at 176 South Street, Hopkinton, Massachusetts 01748, Attention: Office of the Secretary, that bears a date later than the date of the proxy you want to revoke and is received by the EMC Office of the Secretary prior to the special meeting;

submitting a valid, later-dated proxy via the Internet or by telephone before 11:59 PM (Eastern Time) on [ ], 2016, or by mailing a later-dated, new proxy card that is received by [ ] prior to the special meeting; or

attending the special meeting (or, if the special meeting is adjourned or postponed, attending the adjourned or postponed meeting) and voting in person, which will automatically cancel any proxy previously given, or revoking your proxy in person, but your attendance alone will not constitute a vote or revoke any proxy previously given.

If you hold your shares in street name, you must contact your nominee or intermediary to change your voting instructions or obtain a legal proxy to vote your shares if you wish to cast your vote in person at the special meeting.

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Q: What happens if I transfer my shares of EMC common stock before the special meeting?

A: The record date is earlier than the date of the special meeting and the date that the merger is expected to be completed. If you transfer your shares of EMC common stock after the record date but before the special meeting, you will, unless the transferee requests a proxy from you, retain your right to vote at the special meeting. However, if you are an EMC shareholder, you will have transferred the right to receive the merger consideration in the merger. In order to receive the merger consideration, you must hold your shares of EMC common stock through the effective time of the merger.

Q: What do I do if I receive more than one set of voting materials?

A: You may receive more than one set of voting materials, including multiple copies of this proxy statement/prospectus, the proxy card or the voting instruction form sent to you by your nominee or intermediary. This can occur if you hold your shares in more than one brokerage account, if you hold shares directly as a holder of record and also in street name, or otherwise through another holder of record, and in certain other circumstances. If you receive more than one set of voting materials, please sign and return each set separately in order to ensure that all of your shares are voted.

Q: How do I obtain the voting results from the special meeting?

A: Preliminary voting results will be announced at the special meeting, and will be set forth in a press release that EMC intends to issue after the special meeting. The press release will be available on the EMC website at *www.emc.com*. Final voting results for the special meeting will be published in a current report on Form 8-K filed with the SEC within four business days after the special meeting. A copy of this current report on Form 8-K will be available after filing with the SEC on the EMC website and at *www.sec.gov*.

Q: What will happen if any or all of the proposals to be considered at the special meeting are not approved?

A: As a condition to the completion of the merger, EMC shareholders must approve the merger agreement. Completion of the merger is not conditioned or dependent upon the approval, on a non-binding, advisory basis, of the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger. Nor is completion of the merger conditioned upon the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement. Additionally, if the merger agreement is terminated by EMC or Denali in the event the EMC shareholders have voted on and failed to approve the merger agreement at the special meeting, EMC will be obligated to reimburse Denali for all reasonable out-of-pocket expenses incurred by Denali, Merger Sub or their respective affiliates in connection with the merger agreement and the transactions contemplated thereby, up to an aggregate maximum amount of $50 million.

Q:

May EMC shareholders exercise appraisal rights instead of receiving the per share merger consideration for shares of EMC common stock?

A: Under the MBCA, EMC is required to state whether it has concluded that EMC shareholders are, are not or may be entitled to assert appraisal rights, which are generally available to shareholders of a merging Massachusetts corporation under Section 13.02(a)(1) of the MBCA, subject to certain exceptions. For the reasons described under *Appraisal Rights of EMC Shareholders,* EMC has concluded that EMC shareholders may be entitled to appraisal rights. The relevant provisions of the MBCA have not been the subject of judicial interpretation and EMC and Denali reserve the right to contest the validity and availability of any purported demand for appraisal rights in connection with the merger. In this regard, Denali has indicated that in any appraisal proceeding it will assert, and will cause EMC as its wholly owned subsidiary following completion of the merger to assert, that an exception to appraisal rights is applicable to the merger.

Under Part 13 of the MBCA, EMC shareholders who believe they are or may be entitled to appraisal rights in connection with the merger must, in order to exercise those rights:

prior to the special meeting, deliver to EMC a written notice of intent to demand payment for such shareholders shares of EMC common stock if the merger is effectuated;

NOT vote for the proposal to approve the merger agreement; and

comply with other procedures under Part 13 of the MBCA.

These procedures are summarized under *Appraisal Rights of EMC Shareholders*. In addition, the text of Part 13 of the MBCA is reproduced in its entirety as *Annex E* to this proxy statement/prospectus.

Q: Why are EMC shareholders being asked to approve, on a non-binding, advisory basis, the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger?

A: The SEC has adopted rules that require EMC to seek a non-binding, advisory vote on the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger.

Q: What happens if EMC shareholders do not approve the proposal to approve, on a non-binding, advisory basis, the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger?

A: Approval, on a non-binding, advisory basis, of the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger is not a condition to the completion of the merger. The vote is a non-binding, advisory vote. If EMC shareholders approve the merger agreement and the merger is completed, EMC will be obligated to pay all or a portion of this compensation to its named executive officers in connection with the completion of the merger or certain terminations of employment following the merger, even if EMC shareholders do not approve this proposal.

Q: What are the material U.S. federal income tax consequences of the merger to EMC shareholders?

A: It is anticipated that the merger should generally be treated as an exchange by EMC shareholders of shares of EMC common stock for common stock of Denali and cash in a transaction described in Section 351 of the Internal Revenue Code (except to the extent treated as a redemption, as described below). However, there is a lack of certainty regarding the U.S. federal income tax treatment of the merger and the Class V Common Stock. See *Risk Factors There is a lack of certainty regarding the U.S. federal income tax treatment of the merger and the Class V Common Stock* and *Proposal 1: Approval of the Merger Agreement Material U.S. Federal Income*

Tax Consequences of the Merger to U.S. Holders U.S. Federal Income Tax Consequences of Alternative Treatment of the Merger or the Class V Common Stock.

The completion of the merger is conditioned upon the receipt by each of EMC and Denali, respectively, of an opinion from its tax counsel that (1) the merger, taken together with related transactions, should qualify as an exchange described in Section 351 of the Internal Revenue Code and (2) for U.S. federal income tax purposes, the Class V Common Stock should be considered common stock of Denali. Neither Denali nor EMC currently intends to waive the opinion condition to its obligation to complete the merger. If either Denali or EMC waives the opinion condition after the registration statement of which this proxy statement/prospectus forms a part is declared effective by the SEC, and if the tax consequences of the merger to EMC shareholders have materially changed, Denali and EMC will recirculate appropriate soliciting materials to resolicit the votes of EMC shareholders.

To the extent the exchange of shares of EMC common stock for common stock of Denali and cash qualifies as an exchange described in Section 351 of the Internal Revenue Code, and subject to the discussion below regarding cash provided by EMC, U.S. holders of EMC common stock who receive cash and Class V Common Stock in the merger should recognize gain (but not loss) in an amount equal to the lesser of (1) the amount by which the sum of the fair market value of the Class V Common Stock and the amount of cash (other than cash received instead of fractional shares of Class V Common Stock) received by such holder in the exchange for shares of EMC common stock exceeds the holder s adjusted basis in such shares of EMC common stock, and (2) the amount of cash (other than cash received instead of fractional shares of Class V Common Stock) received by such holder in such exchange for shares of EMC common stock. However, to the extent that cash in the merger is considered to be provided by EMC, (1) the exchange of such cash for EMC common stock should be treated as a redemption of EMC common stock for the cash provided by EMC and (2) to the extent so treated, a U.S. holder of EMC common stock would recognize capital gain or loss equal to the difference between the amount of cash received in such redemption and such holder s tax basis in the portion of such holder s EMC common stock deemed to have been redeemed in such redemption.

The treatment of any cash received instead of a fractional share interest in Class V Common Stock is discussed in *Proposal 1: Approval of the Merger Agreement Material U.S. Federal Income Tax Consequences of the Merger to U.S. Holders U.S. Federal Income Tax Consequences of the Merger to U.S. Holders of EMC Common Stock Cash in Lieu of Fractional Shares*.

While we believe that, for U.S. federal income tax purposes, the Class V Common Stock should be treated as common stock of Denali, there are currently no Internal Revenue Code provisions, U.S. federal income tax regulations, court decisions or published rulings of the U.S. Internal Revenue Service, referred to as the IRS, directly addressing the characterization of stock with characteristics similar to the Class V Common Stock. In addition, the IRS has announced that it will not issue advance rulings on the characterization of an instrument with characteristics similar to those of the Class V Common Stock. Accordingly, no assurance can be given that the treatment of the Class V Common Stock as common stock of Denali, if contested, would be sustained by a court.

If the Class V Common Stock were not treated as common stock of Denali, the U.S. federal income tax consequences of the merger to U.S. holders of EMC common stock would differ from those described above. For a more detailed discussion of the material U.S. federal income tax consequences of the merger and the Class V Common Stock, see *Proposal 1: Approval of the Merger Agreement Material U.S. Federal Income Tax Consequences of the Merger to U.S. Holders.*

EMC shareholders are urged to consult their tax advisors to determine the U.S. federal income tax consequences of the merger to them in light of their particular circumstances, as well as estate, gift, state, local or non-U.S. tax consequences.

Q: When do you expect to complete the merger?

A: As of the date of this proxy statement/prospectus, it is not possible to estimate accurately the completion date for the merger because the merger is subject to the satisfaction (or, to the extent permitted by applicable law, waiver) of the conditions to Denali s and EMC s obligations to complete the merger. Denali and EMC, however, expect the merger to close during the second or third quarter of Denali s fiscal year ending February 3, 2017. Because the completion of the merger is conditioned on receipt of governmental approvals and the satisfaction of other conditions to the merger, no assurance can be given as to when, or if, the merger will be completed. The merger agreement provides for an outside date of December 16, 2016 for the completion of the merger. For more information regarding the conditions that must be satisfied (or, to the extent permitted by applicable law, waived) prior to the completion of the merger, see *The Merger Agreement Conditions to the Merger*.

Q: What will happen to outstanding EMC equity awards in the merger?

A: Each currently outstanding EMC stock option will become vested and fully exercisable for a reasonable period of time prior to 11:59 p.m., New York City time, on the last trading day prior to the effective time of the merger, referred to as the vesting effective time of the merger. Each EMC stock option that remains outstanding immediately prior to the vesting effective time of the merger will be automatically exercised

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immediately prior to the vesting effective time of the merger on a net exercise basis, such that shares of EMC common stock with a value equal to the aggregate exercise price and applicable tax withholding will reduce the number of shares of EMC common stock otherwise issuable. Each such holder of a net exercised EMC stock option will thereafter be entitled to receive the merger consideration with respect to the whole net number of shares of EMC common stock issued upon such net exercise, together with cash in lieu of any fractional shares of EMC common stock. Except for a limited number of restricted stock units that may be granted following the date of the merger agreement and that will continue in effect as cash awards following the effective time of the merger, each EMC restricted stock unit outstanding immediately prior to the vesting effective time of the merger will become fully vested immediately prior to the vesting effective time of the merger (with performance vesting units vesting at the target level of performance) and the holder will become entitled to receive the merger consideration with respect to the whole net number of shares of EMC common stock subject to the award (which will be calculated net of the number of shares withheld in respect of taxes upon the vesting of the award), together with cash in lieu of any fractional shares of EMC common stock. The merger agreement provides that Denali may agree with individual award recipients to different treatment with respect to equity awards made prior to the execution of the merger agreement; no such agreements were in effect as of the date of this proxy statement/prospectus. A portion of the merger consideration related to outstanding EMC equity awards will be recorded as day one post-acquisition stock compensation expense. Based on current estimates, we expect the day one post-acquisition stock compensation expense to be approximately $0.8 billion to $1.0 billion. See *Proposal 1: Approval of the Merger Agreement Treatment of EMC Equity Awards* for additional information about the treatment of EMC equity awards under the merger agreement.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in and incorporated by reference into this proxy statement/prospectus, including its annexes, please submit your proxy as promptly as possible, so that your shares may be represented and voted at the special meeting. To submit a proxy or to vote your shares of EMC common stock, do so by:

- signing, dating, marking and returning the enclosed proxy card in the accompanying postage-paid return envelope;

- submitting your proxy via the Internet or by telephone by following the instructions included on your proxy card; or

- attending the special meeting and voting by ballot in person.

If you hold shares in street name, please instruct your nominee or intermediary to vote your shares by following the instructions that the nominee or intermediary provides to you with these materials. Your nominee or intermediary will vote your shares of EMC common stock for you only if you provide instructions to it on how to vote. Please refer to the voting instruction card used by your nominee or intermediary to see if you may submit voting instructions using the telephone or Internet.

Q: Should I send in my EMC stock certificates now?

A: No. EMC shareholders should not send in their stock certificates at this time. After the completion of the merger, Denali s exchange agent will send you a letter of transmittal and instructions for exchanging your shares of EMC common stock for the merger consideration. The shares of Class V Common Stock you receive in the merger will be issued in book-entry form and physical certificates will not be issued. See *Proposal 1: Approval of the Merger Agreement Exchange of Shares in the Merger*.

Q: How will the merger be financed?

A: The merger will be financed with a combination of equity and debt financing and cash on hand. Denali has obtained committed equity financing for up to $4.25 billion in the aggregate (from Michael S. Dell and a separate property trust for the benefit of Mr. Dell s wife, MSDC Denali Investors, L.P., MSDC Denali EIV, LLC, funds affiliated with Silver Lake Partners, and Temasek) and debt financing commitments for up to $49.5 billion in the aggregate from, among others, Credit Suisse, J.P. Morgan, Barclays, BofA Merrill Lynch, Citi, Goldman Sachs, Deutsche Bank and RBC Capital Markets for the purpose of financing the merger and refinancing certain existing indebtedness of Denali and EMC. The obligations of the lenders under Denali s debt financing commitments are subject to a number of customary conditions. Denali s debt financing commitments will terminate upon the earlier of the termination of the merger agreement in accordance with its terms and December 16, 2016. See *Proposal 1: Approval of the Merger Agreement Financing of the Merger*. In addition, each of Denali and EMC has agreed to make available a certain amount of cash on hand (at least $2.95 billion, in the case of Denali, and $4.75 billion, in the case of EMC) at the completion of the merger for the purpose of financing the transactions contemplated by the merger agreement.

Q: Does Denali expect to use any of VMware s cash flows and debt capacity to repay indebtedness incurred by Denali in connection with the merger?

A: No. The credit structure and plans for servicing the indebtedness of Denali and its subsidiaries after the completion of the merger are based entirely on anticipated proceeds from sales of non-core businesses attributable to the DHI Group, operating cash flows attributable to the DHI Group and working capital improvements by the DHI Group and do not rely on VMware s cash flows or debt capacity.

Q: Will VMware be liable for the debt financing incurred by Denali to consummate the merger or be subject to contractual restrictions on its business?

A: No. VMware will not have any liability for the debt financing incurred by Denali to consummate the merger and Denali s debt will not impose any contractual restrictions on VMware s business.

Q: Will the Class V Common Stock issued to EMC shareholders at the time of the completion of the merger be traded on an exchange?

A: Yes. It is a condition to the completion of the merger that the shares of Class V Common Stock to be issued to EMC shareholders in the merger be approved for listing on the NYSE or Nasdaq, subject to official notice of issuance. Denali will apply for listing of the Class V Common Stock on the NYSE under the symbol DVMT. Assuming the proposed listing standards described below are adopted in the proposed form, the Class V Common Stock will be freely transferable and will trade just like other publicly listed common stocks.

The NYSE has proposed new listing standards for a tracking stock, which the NYSE refers to as an Equity Investment Tracking Stock, that tracks the performance of an investment by the issuer in the common equity of another company listed on the NYSE, such as VMware. The NYSE listing standards as so proposed would allow for the listing of the Class V Common Stock, but no assurances can be given that such listing standards will be adopted in the proposed form. Under the proposed new listing standards, the Class V Common Stock could be delisted in certain circumstances, which delisting would materially adversely affect the liquidity and value of the Class V Common Stock. For example, any alteration of assets and liabilities attributed to the Class V Group that results in the Class V Common Stock ceasing to track the performance of VMware Class A common stock could result in the delisting of the Class V Common Stock. See *Risk Factors Risk Factors Relating to Denali s Proposed Tracking Stock*

Structure The NYSE has published new listing standards for a tracking stock of the type such as the Class V Common Stock, which tracks the performance of an investment by the issuer in the common equity of another company listed on the NYSE, such as VMware and *The new listing standards proposed by the NYSE include certain requirements to maintain the listing of an Equity Investment Tracking Stock. If the Class V Common Stock were delisted because of the failure to meet any of such requirements, the liquidity and value of the Class V Common Stock would be materially adversely affected* and *Proposal 1: Approval of the Merger Agreement Listing of Shares of Class V Common Stock and Delisting and Deregistration of EMC Common Stock.*

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Q: If I am an EMC shareholder, whom should I call with questions?

A: If you have any questions about the merger or the special meeting, or wish to obtain additional copies of this proxy statement/prospectus, proxy cards or voting instruction forms, you should contact:

Innisfree M&A Incorporated

501 Madison Avenue, 20th floor

New York, New York 10022

Shareholders may call toll free: (888) 750-5834

Banks and Brokers may call collect: (212) 750-5833

or

EMC Corporation

176 South Street

Hopkinton, Massachusetts 01748

Attention: Investor Relations

Email: emc_ir@emc.com

Telephone: (508) 435-1000

Q: Where can I find more information about Denali and EMC?

A: You can find more information about Denali and EMC from the sources described under *Where You Can Find More Information.*

Questions and Answers Regarding Denali s Proposed Tracking Stock Structure

Q: What is a tracking stock?

A: A tracking stock is a separate class or series of a company s common stock that is intended to reflect the economic performance of a defined set of assets and liabilities, usually consisting of a specific business or subsidiary.

Q: What will be the series of common stock of Denali?

A: The series of common stock of Denali will be the Class V Common Stock and the DHI Group common stock.

EMC s interest in the VMware business currently consists of approximately 343 million shares of VMware common stock. The approximately 223 million shares of Class V Common Stock issuable to EMC shareholders as merger consideration (assuming EMC shareholders either are not entitled to or do not properly exercise appraisal rights) will represent approximately 65% of the shares of Class V Common Stock authorized to be issued under the Denali certificate and, as a result, are intended to track and reflect the economic performance of approximately 65% of EMC s current economic interest in the VMware business. The Class V Common Stock is initially intended to track the performance of such economic interest in the VMware business after the merger, but we cannot assure you that the market price of the Class V Common Stock will, in fact, reflect such performance. The number of shares of Class V Common Stock to be issued initially will have a one-to-one relationship to approximately 65% of the number of shares of VMware common stock currently owned by EMC.

The DHI Group common stock, which is comprised of four series of common stock, is intended to track the performance of Denali as a whole excluding the interest in the Class V Group to be represented by outstanding shares of Class V Common Stock. Following the merger, we expect that the DHI Group common stock initially will track and reflect the economic performance of approximately 35% of EMC s current economic interest in the VMware business.

The assets and liabilities of Denali that are intended to be tracked by the authorized Class V Common Stock, which initially will consist solely of Denali s economic interest in the VMware business as of the completion of the merger, are referred to as the Class V Group, and the remaining assets and liabilities of Denali that are intended to be tracked by the DHI Group common stock (including a retained interest in the Class V Group) are referred to as the DHI Group.

Q: How are Denali s interests aligned with the interests of the holders of the Class V Common Stock?

A: After the completion of the merger, Denali will be the largest stockholder of VMware. The owners of the DHI Group common stock, which includes Michael S. Dell and the SLP stockholders, will have an indirect economic interest in the approximately 35% of the VMware common stock owned by Denali at the completion of the merger that are not attributed to the holders of the Class V Common Stock. As a result, at the completion of the merger, the owners of the DHI Group common stock will have an indirect economic interest in approximately 28% of the VMware business. We believe this significant ownership interest by Denali in VMware provides a significant incentive for Denali to promote success at VMware and aligns Denali s interests with the interests of the holders of the Class V Common Stock.

After the completion of the merger and assuming no change in the number of outstanding shares of VMware common stock before the completion of the merger, Denali is expected to beneficially own 300 million shares of VMware Class B common stock, representing 100% of the outstanding shares of VMware Class B common stock, and approximately 43 million shares of VMware Class A common stock, representing approximately 35.5% of the outstanding shares of VMware Class A common stock. Each share of VMware Class A common stock is entitled to one vote per share and each share of VMware Class B common stock is entitled to ten votes per share. Such beneficial ownership by Denali is expected to represent approximately 97.5% of the total voting power of the outstanding VMware common stock.

Q: What is the Capital Stock Committee and what function will it serve in our tracking stock structure?

A: The Denali board of directors will create a standing committee known as the Capital Stock Committee. The Denali board of directors will not be permitted to take certain actions with respect to the Class V Common Stock without the approval of the Capital Stock Committee, including any actions that would result in any changes to the policies governing the relationship between the Class V Group and the DHI Group or in any reallocation of assets and liabilities between the Class V Group and the DHI Group. The Capital Stock Committee will consist of at least three members, the majority of whom must qualify as independent directors under the rules of the NYSE. Under the Denali board policies, if such independent directors are granted equity compensation by Denali, approximately half of the value at grant of all such compensation will consist of Class V Common Stock or options to purchase Class V Common Stock.

Q: What will be the voting rights of the series of stock of Denali after the merger?

A: Holders of Class V Common Stock will vote together with the DHI Group common stock as a single class except in certain limited circumstances under which the holders of Class V Common Stock will have the right to vote as a separate class and except in the election of Denali s Group II Directors and Group III Directors, as described under *Description of Denali Capital Stock Following the Merger Denali Common Stock Voting Rights*.

Each holder of record of Class V Common Stock and Class C Common Stock will be entitled to one vote per share of Class V Common Stock or Class C Common Stock, as applicable. Holders of Class A Common Stock and Class B Common Stock will be entitled to 10 votes per share of Class A Common Stock or Class B Common Stock, as applicable. Class D Common Stock will not vote on any matters except to the extent required under Delaware law. Immediately following the completion of the merger, it is expected that the number of votes to which holders of Class V Common Stock would be entitled will represent approximately

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4% of the total number of votes to which all holders of Denali common stock would be entitled, the number of votes to which holders of Class A Common Stock would be entitled will represent approximately 73% of the total number of votes to which all holders of Denali common stock would be entitled, the number of votes to which holders of Class B Common Stock would be entitled will represent approximately 23% of the total number of votes to which all holders of Denali common stock would be entitled, and the number of votes to which holders of Class C Common Stock would be entitled will represent less than 1% of the total number of votes to which all holders of Denali common stock would be entitled.

The Class V Common Stock is common stock of Denali and will not vote on matters brought before the shareholders of VMware.

Q: Who will control Denali following the merger?

A: After the completion of the merger, by reason of their ownership of substantially all of the Class A Common Stock, the MD stockholders and the MSD Partners stockholders will have the ability to elect all of the Group I Directors, who will have an aggregate of 3 of the 13 total votes on the Denali board of directors, and all of the Group II Directors, who will have an aggregate of 7 of the 13 total votes on the Denali board of directors. By reason of their ownership of all of the Class B Common Stock, the SLP stockholders will have the ability to elect all of the Group III Directors, who will have an aggregate of 3 of the 13 total votes on the Denali board of directors. Immediately following the completion of the merger, Michael S. Dell is expected to be the sole Group II Director and will therefore be entitled to cast a majority of the votes entitled to be cast by all Denali directors and thereby approve any matter submitted to the Denali board of directors other than any matter that also requires approval of the Capital Stock Committee or the audit committee. Immediately following the completion of the merger, Egon Durban and Simon Patterson are expected to be the sole Group III Directors. By reason of their ownership of Class A Common Stock possessing a majority of the aggregate votes entitled to be cast by the holders of the Class A Common Stock, the Class B Common Stock, the Class C Common Stock and the Class V Common Stock, voting together as a single class, the MD stockholders and the MSD Partners stockholders will have the ability to approve any matter submitted to the vote of all of the outstanding shares of Denali common stock voting together as a single class. Through their control of Denali, the MD stockholders and the MSD Partners stockholders will, subject to limited exceptions and certain consent rights of the SLP stockholders and to any required approval of the audit committee or the Capital Stock Committee, be able to control actions to be taken by Denali, including the election of directors of VMware and Denali s other subsidiaries, and, subject to certain exceptions requiring separate class votes, amendments to Denali s organizational documents and the approval of significant corporate transactions. Denali s directors will owe fiduciary duties to Denali as a whole and all of Denali s stockholders and not just to holders of a particular series of shares. Denali intends to form an executive committee of its board of directors consisting entirely of Group II Directors and Group III Directors (none of whom are expected to be independent directors) and expects that a substantial portion of the power and authority of the Denali board of directors will be delegated to the executive committee. See *Management of Denali After the Merger*.

Denali does not expect to identify all of the initial Group I Directors before the special meeting. However, Denali is obligated under the merger agreement to appoint all of the initial Group I Directors as of the completion of the merger. Denali will disclose the identities of the Group I Directors in the public filings it makes with the SEC when they are determined but in any event before the completion of the merger.

Q: What kind of financial information will be publicly available in the future?

A: Upon the effectiveness of the registration statement of which this proxy statement/prospectus forms a part, Denali will be required to file periodic reports, proxy statements and other information with the SEC, including annual reports on Form 10-K and quarterly reports on Form 10-Q that, following the completion of the merger, will include consolidated financial statements for Denali as a whole. In addition, Denali will include unaudited financial information that will show the attribution of its assets, liabilities, revenue and expenses to the Class V Group in accordance with its tracking stock policy. In addition, VMware will

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remain a public company and will continue to file annual reports on Form 10-K and quarterly reports on Form 10-Q with the SEC and issue periodic press releases and updates just as it does currently.

Q: Will the Class V Common Stock pay a dividend?

A: VMware does not currently pay dividends on its common stock, and any decisions regarding dividends on the VMware common stock would be a decision of VMware s board of directors. Denali does not presently intend to pay cash dividends on the Class V Common Stock. If VMware were to pay a dividend on the VMware common stock owned by Denali that is attributable to the Class V Group, Denali could, but would not be required to, distribute some or all of that amount to the holders of Class V Common Stock. The after-tax amount of any dividends paid on the VMware common stock owned by Denali that is attributable to the Class V Group, but not thereafter distributed by Denali to the holders of Class V Common Stock, would be allocated to the assets tracked by the Class V Common Stock. Any determination to reallocate or use such amounts for any purpose other than to pay dividends on the Class V Common Stock may be made only upon approval of the Capital Stock Committee. For as long as Denali files consolidated U.S. federal income tax returns with VMware, Denali would not be subject to U.S. federal income tax on dividends received on the VMware common stock.

Q: Will VMware become part of Denali s consolidated group for U.S. federal income tax purposes?

A: Denali intends to seek to maintain a sufficient direct or indirect ownership interest in VMware to enable Denali to consolidate with VMware for U.S. federal income tax purposes. As a result, consistent with the practice of EMC, Denali may from time to time acquire, directly or indirectly, additional shares of VMware to the extent necessary to maintain U.S. federal income tax consolidation.

Q: Does Denali intend to repurchase Class V Common Stock after the completion of the merger?

A: Following the completion of the merger, Denali intends to consider opportunities to repurchase shares of Class V Common Stock from time to time. Any such repurchases will be subject to Denali s ability to generate free cash flow (through operations, assets sales or otherwise), to Denali s objective of reducing its indebtedness in the first 18-24 months after the completion of the merger and achieving an investment-grade rating for such indebtedness, to restrictions in Denali s debt instruments, to the existence of sufficient lawfully available funds for such repurchases and to market conditions and other factors. Denali s debt facilities are expected initially to permit up to $3 billion of such repurchases and other types of restricted payments, which amount may increase over time based on Denali s net income and other factors.

Q: What happens if VMware issues additional shares of common stock?

A: An issuance of additional common stock by VMware would dilute the ownership of all existing VMware common stockholders, including Denali. Similarly, the economic interest in the VMware business tracked by the Denali Class V Common Stock would be diluted on a pro rata basis. Any issuance of additional common stock by

VMware that would dilute the ownership of Denali to the extent that Denali ceases to own at least 50% of either the economic interest or the voting power of all of the outstanding classes of common equity of VMware could result in the delisting of the Class V Common Stock, which would materially adversely affect the liquidity and value of the Class V Common Stock. See *Risk Factors Risk Factors Relating to Denali s Proposed Tracking Stock Structure The new listing standards proposed by the NYSE include certain requirements to maintain the listing of an Equity Investment Tracking Stock. If the Class V Common Stock were delisted because of the failure to meet any of such requirements, the liquidity and value of the Class V Common Stock would be materially adversely affected.*

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Q: Will the Class V Common Stock have exposure to credit risk at Denali?

A: Yes. Holders of DHI Group common stock and Class V Common Stock will be stockholders of a single company and subject to all risks associated with an investment in Denali and all of our businesses, assets and liabilities. The DHI Group common stock and the Class V Common Stock will not have ownership interests in either group and will not entitle their holders to any special rights to receive specific assets of either group. Denali believes that the merger will have a neutral or positive impact on Dell s current corporate debt ratings. Since the completion of its going-private transaction in October 2013, Dell has generated significant free cash flow (defined as cash flows from operations minus capital expenditures), reduced its aggregate indebtedness by approximately \$3.1 billion (with Denali reducing its aggregate indebtedness by \$5.1 billion as of April 29, 2016) and improved its corporate debt ratings.

Q: May Denali allocate assets and liabilities to the Class V Group that would not initially be part of the Class V Group?

A: Yes. However, pursuant to the Denali certificate and Denali s tracking stock policy, any allocation or reallocation of assets or liabilities to the Class V Group would need to be in exchange for assets and liabilities having an equivalent fair value, as determined by the Denali board of directors with the approval of the Capital Stock Committee, a majority of whom will be independent directors. Any such allocation or reallocation of assets and/or liabilities between the two groups, and the impact thereof, would be reflected in the unaudited financial information that Denali will provide in its periodic filings with the SEC, which will show the attribution of Denali s assets, liabilities, revenue and expenses to the Class V Group in accordance with its tracking stock policy. Although any such allocation or reallocation would change the nature of assets and liabilities that would be attributed to the Class V Group, it would not change the relative economic interests of the holders of Class V Common Stock and the holders of DHI Group common stock in the Class V Group (initially approximately 65% and 35%, respectively), unless such an allocation or reallocation involved a transfer of assets or liabilities from one group to the other in return for an increase or decrease, as the case may be, of the DHI Group s retained interest in the Class V Group. See *Description of Denali Capital Stock Following the Merger Denali Common Stock Certain Adjustments to the Number of Retained Interest Shares* and *Description of Denali Tracking Stock Policy Relationship between the DHI Group and the Class V Group*.

Any allocation or reallocation of assets and liabilities to the Class V Group that results in the Class V Common Stock ceasing to track the performance of VMware Class A common stock could result in the delisting of the Class V Common Stock, which would materially adversely affect the liquidity and value of the Class V Common Stock. See *Risk Factors Risk Factors Relating to Denali s Proposed Tracking Stock Structure The new listing standards proposed by the NYSE include certain requirements to maintain the listing of an Equity Investment Tracking Stock. If the Class V Common Stock were delisted because of the failure to meet any of such requirements, the liquidity and value of the Class V Common Stock would be materially adversely affected.*

Q: How can the relative economic interests of the holders of Class V Common Stock and the holders of DHI Group common stock in the Class V Group change?

A:

In addition to the reallocation of assets or liabilities from one group to the other in return for an increase or decrease of the DHI Group s retained interest in the Class V Group as referred to in the previous question, the relative economic interests of the holders of the Class V Common Stock and the holders of the DHI Group common stock in the Class V Group could also change when Denali issues or repurchases shares of Class V Common Stock, as described under *Description of Denali Capital Stock Following the Merger Denali Common Stock Certain Adjustments to the Number of Retained Interest Shares*.

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Q: Why is a tracking stock being used to finance the acquisition of EMC?

A: The Class V Common Stock will afford EMC shareholders the opportunity to benefit from any value creation that may result from any revenue synergies of the Class V Group with Dell. Collectively, EMC shareholders indirectly own approximately 81% of VMware as of the date of this proxy statement/prospectus. Upon the completion of the merger, EMC shareholders will receive shares of Class V Common Stock that will be publicly traded and that are intended to track, in the aggregate, an approximately 53% economic interest in the VMware business (assuming no change to the percentage economic interest of EMC in the VMware business prior to the completion of the merger and that EMC shareholders either are not entitled to or do not properly exercise appraisal rights).

Owning EMC s interest in the VMware business is a fundamental part of Denali s strategic rationale for this transaction. VMware s success is important to the business strategy of a merger combining Dell and EMC, and Denali believes it will be in the best interests of its common stockholders after the merger to retain a large economic interest in the VMware business. Additionally, given constraints on the amount of cash financing available for the transaction, the issuance of the Class V Common Stock enables Denali to pay a higher purchase price for EMC than it could in a transaction consisting entirely of 100% cash consideration.

Q: How common is tracking stock? Do other tracking stocks exist? When was the last time a tracking stock was issued?

A: Tracking stocks are relatively uncommon financing structures, and tracking stocks that track an economic interest in another publicly traded company are even less common. Tracking stocks have been utilized in the past by such blue chip companies as The Walt Disney Company, General Motors, Liberty Media, AT&T and Georgia Pacific, but they have been used infrequently since 2001. Tracking stocks have been used most recently by Fidelity National Financial, Inc. in June 2014 and on April 18, 2016, Liberty Media s common stock was reclassified into three new tracking stocks.

SUMMARY

This summary highlights selected information from this proxy statement/prospectus. It may not contain all of the information that is important to you. You are urged to read this entire proxy statement/prospectus and the other documents referred to or incorporated by reference into this proxy statement/prospectus in order to fully understand the merger, the merger agreement and the other related transactions and agreements. See *Where You Can Find More Information* for information on how you can obtain copies of the incorporated documents or view them via the Internet. Each item in this summary refers to the beginning page of this proxy statement/prospectus on which that subject is discussed in more detail.

The Companies (See page 84)

Denali Holding Inc.

Denali Holding Inc., referred to as Denali, is a holding company that conducts its business operations through Dell Inc., referred to as Dell, and Dell s direct and indirect wholly owned subsidiaries.

Denali was incorporated in the state of Delaware on January 31, 2013 in connection with the going-private transaction of Dell, which was completed in October 2013. Denali is owned by Michael S. Dell, the Chairman, Chief Executive Officer and founder of Dell, a separate property trust for the benefit of Mr. Dell s wife, investment funds affiliated with Silver Lake Partners (a global private equity firm), investment funds affiliated with MSD Partners, L.P. (an investment firm that was formed by the principals of MSD Capital, L.P., the investment firm that exclusively manages the capital of Mr. Dell and his family), members of Dell s management and other investors. As of May 15, 2016, Mr. Dell and his wife s trust beneficially owned approximately 70% of Denali s voting securities, the investment funds associated with Silver Lake Partners beneficially owned approximately 24% of Denali s voting securities, and the other stockholders beneficially owned approximately 6% of Denali s voting securities.

Upon the listing of the shares of Class V Common Stock on the NYSE, Denali will be a controlled company within the meaning of NYSE rules and, as a result, will qualify for exemptions from, and may elect not to comply with, certain corporate governance requirements, including the requirements that, within one year of the date of the listing of the Class V Common Stock:

- Denali have a board that is composed of a majority of independent directors, as defined under the rules of the NYSE;
- Denali have a compensation committee that is composed entirely of independent directors; and
- Denali have a corporate governance and nominating committee that is composed entirely of independent directors.

Following the completion of the merger, Denali intends to utilize these exemptions. Accordingly, holders of Class V Common Stock will not have the same protections afforded to stockholders of companies such as EMC that are subject to all of the corporate governance requirements of the NYSE.

Denali s principal executive offices are located at One Dell Way, Round Rock, Texas 78682, and its telephone number is (512) 728-7800. Denali s website address is *www.dell.com*. The information contained in, or that may be accessed through, Denali s website is not intended to be incorporated into this proxy statement/prospectus.

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Dell Inc.

Dell is a leading global information technology company that designs, develops, manufactures, markets, sells and supports a wide range of products and services. Dell was incorporated in the state of Delaware in 1984 and is an indirect wholly owned subsidiary of Denali.

Dell s principal executive offices are located at One Dell Way, Round Rock, Texas 78682, and its telephone number is (512) 728-7800. Dell s website address is *www.dell.com*. The information contained in, or that may be accessed through, Dell s website is not intended to be incorporated into this proxy statement/prospectus.

Universal Acquisition Co.

Universal Acquisition Co., referred to as Merger Sub, is a Delaware corporation and wholly owned subsidiary of Denali. Merger Sub was incorporated on October 8, 2015, solely for the purpose of effecting the merger. It has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the transactions contemplated by the merger agreement. Merger Sub s principal executive offices are located at One Dell Way, Round Rock, Texas 78682, and its telephone number is (512) 728-7800.

EMC Corporation

EMC Corporation, referred to as EMC, including its subsidiaries and affiliates, is a company that manages a federation of businesses, each of which plays a vital role in the transformation of IT. These businesses enable customers to build cloud-based infrastructures for existing applications while at the same time helping customers build and run new applications. EMC was incorporated in Massachusetts in 1979.

EMC common stock is listed on the NYSE under the trading symbol EMC. EMC s principal executive offices are located at 176 South Street, Hopkinton, Massachusetts 01748, its telephone number is (508) 435-1000, and its website is *www.emc.com*. The information contained in, or that can be accessed through, EMC s website is not intended to be incorporated into this proxy statement/prospectus.

Special Meeting of EMC Shareholders (See page 156)

General

The special meeting will be held at [ ] (Eastern Time), on [ ], 2016, at EMC s facility at 176 South Street, Hopkinton, Massachusetts 01748. At the special meeting, EMC shareholders will vote on:

- the approval of the merger agreement;
- the approval, on a non-binding, advisory basis, of the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger; and
- the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

The approval of the merger agreement by EMC shareholders is a condition to the obligations of Denali and EMC to complete the merger.

Record Date

The EMC board of directors has fixed the close of business on [ ], 2016 as the record date for determination of the EMC shareholders entitled to vote at the special meeting or any adjournment or postponement thereof. Only EMC shareholders of record on the record date are entitled to receive notice of, and to vote at, the special meeting or any adjournment or postponement thereof.

As of the record date, there were [ ] shares of EMC common stock outstanding and entitled to vote at the special meeting, held by approximately [ ] holders of record. Each outstanding share of EMC common stock is entitled to one vote. The number of shares you own is reflected on your proxy card.

Quorum

A majority of the outstanding shares of EMC common stock entitled to vote must be present, in person or represented by proxy, to constitute a quorum at the special meeting. Abstentions and broker non-votes will be counted as present in determining the existence of a quorum. Because none of the proposals to be voted on at the special meeting are routine matters for which brokers may have discretionary authority to vote, EMC does not expect any broker non-votes at the special meeting.

Required Vote

The required number of votes for the matters to be voted upon at the special meeting depends on the particular proposal to be voted upon:

Proposal		**Vote Necessary***
Proposal 1	Approval of the Merger Agreement	Approval requires the affirmative vote, in person or by proxy, of holders of a majority of the outstanding shares of EMC common stock entitled to vote as of the record date
Proposal 2	Non-Binding, Advisory Vote on Compensation of Named Executive Officers	Approval requires the affirmative vote of a majority of the votes cast, in person or by proxy, at the special meeting
Proposal 3	Adjournment of Special Meeting of EMC Shareholders	Approval requires the affirmative vote of a majority of the votes cast, in person or by proxy, at the special meeting

* Under the rules of the NYSE, if you hold your shares of EMC common stock in street name, your nominee or intermediary may not vote your shares without instructions from you on non-routine matters. Therefore, without your voting instructions, your broker may not vote your shares on Proposal 1, Proposal 2 or Proposal 3. Abstentions from voting will have the same effect as a vote **AGAINST** Proposal 1, and will have no effect on Proposal 2 or Proposal 3. Broker non-votes will have the same effect as a vote **AGAINST** Proposal 1 and will have no effect on Proposal 2 or Proposal 3. Because none of the proposals to be voted on at the special meeting are routine matters for which brokers may have discretionary authority to vote, EMC does not expect any broker non-votes at the special meeting. If you return your signed and dated proxy card without indicating how to vote your shares on any particular proposal, the EMC common stock represented by your proxy will be voted in accordance with the recommendation of the board of directors. The EMC board of directors has recommended that such proxy cards be voted **FOR** Proposal 1, Proposal 2 and Proposal 3.

Share Ownership of and Voting by EMC Directors and Executive Officers

At the record date, EMC s directors and executive officers and their affiliates beneficially owned and had the right to vote [ ] shares of EMC common stock at the special meeting, which represents [ ]% of the shares of

EMC common stock entitled to vote at the special meeting.

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It is expected that EMC s directors and executive officers will vote their shares **FOR** the approval of the merger agreement, **FOR** the approval, on a non-binding, advisory basis, of the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger and **FOR** the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

The Merger and the Merger Agreement (See pages 162 and 252)

The merger agreement provides that, on the terms and subject to the conditions in the merger agreement, and in accordance with the MBCA and the DGCL, at the effective time of the merger, Merger Sub will merge with and into EMC. As a result of the merger, the separate corporate existence of Merger Sub will cease and EMC will continue as a wholly owned subsidiary of Denali. The merger may not be completed without the approval of the merger agreement by EMC shareholders.

A copy of the merger agreement is attached as *Annex A* to this proxy statement/prospectus. **You are urged to read the merger agreement in its entirety because it is the legal document that governs the merger**. For more information on the merger and the merger agreement, see *Proposal 1: Approval of the Merger Agreement* and *The Merger Agreement*.

As of the date of this proxy statement/prospectus, it is not possible to estimate accurately the completion date for the merger because the merger is subject to the satisfaction (or, to the extent permitted by applicable law, waiver) of the conditions to Denali s and EMC s obligations to complete the merger. Denali and EMC, however, expect the merger to close during the second or third quarter of Denali s fiscal year ending February 3, 2017. Because the completion of the merger is conditioned on receipt of governmental approvals and the satisfaction of other conditions to the merger, no assurance can be given as to when, or if, the merger will be completed. The merger agreement provides for an outside date of December 16, 2016 for the completion of the merger.

What EMC Shareholders Will Receive in the Merger (See page 162)

If the merger is completed, each share of EMC common stock (other than shares owned by Denali, Merger Sub, EMC or any of EMC s wholly owned subsidiaries, and other than shares with respect to which EMC shareholders are entitled to and properly exercise appraisal rights) automatically will be converted into the right to receive the merger consideration, consisting of (1) $24.05 in cash, without interest, and (2) a number of shares of validly issued, fully paid and non-assessable Class V Common Stock equal to the quotient (rounded to the nearest five decimal points) obtained by dividing (A) 222,966,450 by (B) the aggregate number of shares of EMC common stock issued and outstanding immediately prior to the effective time of the merger, plus cash in lieu of any fractional shares. Based on the number of shares of EMC common stock we currently expect will be issued and outstanding immediately prior to the completion of the merger, we estimate that EMC shareholders will receive in the merger approximately 0.111 shares of Class V Common Stock for each share of EMC common stock.

The approximately 223 million shares of Class V Common Stock issuable in the merger (assuming EMC shareholders either are not entitled to or do not properly exercise appraisal rights) are intended to track and reflect the economic performance of approximately 65% of EMC s current interest in the VMware business, which currently consists of approximately 343 million shares of VMware common stock. The Class V Common Stock is intended to track the performance of such portion of Denali s economic interest in the VMware business following the completion of the merger, but there can be no assurance that the market price of the Class V Common Stock will, in fact, reflect the performance of such economic interest. The number of shares of Class V Common Stock to be issued initially will have a one-to-one relationship to approximately 65% of the number of shares of VMware common stock currently owned by EMC.

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EMC s Reasons for the Merger; Recommendation of the EMC Board of Directors (See page 183)

After consideration and consultation with its advisors, the EMC board of directors unanimously determined that the merger agreement and the transactions contemplated thereby, including the proposed merger, are advisable and in the best interests of, EMC and its shareholders, and unanimously resolved to approve and adopt the merger agreement and the transactions contemplated thereby, including the proposed merger.

The EMC board of directors unanimously recommends that EMC shareholders vote **FOR** the approval of the merger agreement. For the factors considered by the EMC board of directors in reaching this decision, see *Proposal 1: Approval of the Merger Agreement EMC s Reasons for the Merger; Recommendation of the EMC Board of Directors.*

In addition, the EMC board of directors unanimously recommends that EMC shareholders vote **FOR** the approval, on a non-binding, advisory basis, of the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger and **FOR** the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement. See *Proposal 2: Non-Binding, Advisory Vote on Compensation of Named Executive Officers* and *Proposal 3: Adjournment of Special Meeting of EMC Shareholders* for a more detailed discussion of the recommendation.

Opinions of EMC s Financial Advisors (See page 189)

Opinion of Morgan Stanley

At the meeting of the board of directors of EMC on October 11, 2015, Morgan Stanley rendered its oral opinion, subsequently confirmed in writing as of the same date, that, as of such date and based upon and subject to the factors, procedures, assumptions, qualifications, limitations and other matters set forth in its written opinion, the merger consideration to be received by the holders of shares of EMC common stock pursuant to the merger agreement was fair from a financial point of view to the holders of shares of EMC common stock.

The full text of Morgan Stanley s written opinion, dated as of October 11, 2015, which sets forth, among other things, the assumptions made, procedures followed, matters considered, qualifications and limitations upon the review undertaken by Morgan Stanley in connection with its opinion, is attached as *Annex F* to this proxy statement/prospectus and is incorporated herein by reference. The summary of Morgan Stanley s opinion set forth in this proxy statement/prospectus under the caption *Proposal 1: Approval of the Merger Agreement Opinions of EMC s Financial Advisors Opinion of Morgan Stanley* is qualified in its entirety by reference to the full text of Morgan Stanley s written opinion.

The full text of Morgan Stanley s written opinion should be read carefully in its entirety for a description of the assumptions made, procedures followed, matters considered, qualifications and limitations upon the review undertaken by Morgan Stanley in connection with its opinion.

Opinion of Evercore

At a meeting of the board of directors of EMC held to evaluate the merger on October 11, 2015, Evercore rendered its oral opinion to the board of directors of EMC, subsequently confirmed by delivery of a written opinion, that, as of October 11, 2015, and based upon and subject to the factors, procedures, assumptions, qualifications, limitations and other matters set forth in its written opinion, the merger consideration to be received by the holders of EMC common stock that are entitled to receive such consideration in the merger is fair, from a financial point of view, to such holders of EMC common stock.

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The full text of Evercore s written opinion, dated as of October 11, 2015, which sets forth, among other things, the factors considered, procedures followed, assumptions made, and qualifications and limitations on the scope of review undertaken by Evercore in connection with its opinion, is attached as *Annex G* to this proxy statement/prospectus and is incorporated herein in its entirety by reference.

The full text of Evercore s written opinion should be read carefully in its entirety for a description of the factors considered, procedures followed, assumptions made, and qualifications and limitations on the scope of review undertaken by Evercore in connection with its opinion. Evercore s opinion was addressed to, and provided for the information and benefit of, the EMC board of directors in connection with its evaluation of the merger consideration from a financial point of view and did not address any other aspects or implications of the merger. The opinion does not constitute a recommendation to the EMC board of directors or to any other persons in respect of the merger, including as to how any holder of EMC common stock should vote or act in respect of the merger. Evercore s opinion does not address the relative merits of the merger as compared to any other transaction or business strategy in which EMC might engage or the merits of the underlying decision by EMC to engage in the merger. The summary of Evercore s opinion set forth in this proxy statement/prospectus under the caption *Proposal 1: Approval of the Merger Agreement Opinions of EMC s Financial Advisors Opinion of Evercore* is qualified in its entirety by reference to the full text of Evercore s written opinion.

Financing of the Merger (See page 224)

The merger will be financed with a combination of equity and debt financing and cash on hand. Denali has obtained committed equity financing for up to $4.25 billion in the aggregate (from Michael S. Dell and a separate property trust for the benefit of Mr. Dell s wife, MSDC Denali Investors, L.P., MSDC Denali EIV, LLC, funds affiliated with Silver Lake Partners, and Temasek) and debt financing commitments for up to $49.5 billion in the aggregate from, among others, Credit Suisse, J.P. Morgan, Barclays, BofA Merrill Lynch, Citi, Goldman Sachs, Deutsche Bank and RBC Capital Markets for the purpose of financing the merger and refinancing certain existing indebtedness. The obligations of the lenders under Denali s debt financing commitments are subject to a number of customary conditions. Denali s debt financing commitments will terminate upon the earlier of the termination of the merger agreement in accordance with its terms and December 16, 2016. In addition, each of Denali and EMC has agreed to make available a certain amount of cash on hand (at least $2.95 billion, in the case of Denali, and $4.75 billion, in the case of EMC) at the completion of the merger for the purpose of financing the transactions contemplated by the merger agreement.

For more information on the financing of the merger, see *Proposal 1: Approval of the Merger Agreement Financing of the Merger*, *The Merger Agreement Denali Cash on Hand*, *The Merger Agreement Liquidation of Investments*; *Cash Transfers* and *The Merger Agreement Common Stock Purchase Agreements*.

Interests of Certain EMC Directors and Officers (See page 232)

The EMC board of directors and its compensation committee have designed the director and executive compensation programs of EMC, in consultation with independent outside compensation experts, with a view towards attracting and retaining qualified candidates and taking into account, among other things, the compensation practices of EMC peers and competitors for such qualified candidates and market compensation practices generally. However, in considering the recommendation of the EMC board of directors with respect to the approval of the merger agreement, you should be aware that the executive officers and directors of EMC have certain interests in the merger that may be different from, or in addition to, the interests of EMC shareholders generally. The EMC board of directors was aware of these interests during its deliberations on the merits of the merger and in deciding to recommend that EMC shareholders vote to approve the merger agreement at the special meeting. These interests include, among others:

Restricted stock units held by officers will vest immediately prior to the vesting effective time of the merger (with performance restricted stock units vesting at the target level of performance) and the

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shares subject to those awards will receive Class V Common Stock, the cash portion of the merger consideration and any cash in lieu of fractional shares in the same manner as other outstanding shares of EMC common stock; and

Unvested EMC stock options held by EMC officers will vest and become fully exercisable prior to the vesting effective time of the merger and options held by officers and directors that are outstanding immediately prior to the vesting effective time of the merger will be automatically exercised on a net exercise basis, such that shares of EMC common stock otherwise issuable pursuant to the stock options with a value equal to the aggregate exercise price and applicable tax withholding are used to satisfy those obligations; and the shares of EMC common stock issuable upon the exercise of such stock options will receive Class V Common Stock, the cash portion of the merger consideration and any cash in lieu of fractional shares in the same manner as other outstanding shares.

The treatment of EMC equity awards described above is in accordance with the terms of EMC s governing equity compensation plans.

In addition, certain of the executive officers of EMC are parties to change in control severance agreements that provide severance benefits if both (1) there is a change in control of EMC (which will occur upon the completion of the merger) and (2) the executive s employment is terminated by EMC without cause or the executive terminates his or her employment for good reason, in each case within 24 months following a change in control. In the case of such a qualifying termination following the completion of the merger, the executive would receive cash severance equal to a specified multiple (between 2 and 2.99) times the sum of the executive s annual base salary and target annual bonus, a lump sum cash severance payment equal to the executive s prorated annual bonus for the year of termination assuming target performance and certain other benefits.

We estimate that the aggregate amount of shares of Class V Common Stock and cash, respectively, that would become payable to EMC s executive officers in settlement of their unvested EMC stock options and unvested time- and performance-vesting restricted stock units (in each case as of May 11, 2016) are as follows: Joseph Tucci, 64,394 shares and $13,912,011; William J. Teuber Jr., 25,507 shares and $5,510,577; David I. Goulden, 63,061 shares and $13,623,844; Howard D. Elias, 48,201 shares and $10,413,458; Jeremy Burton, 50,570 shares and $10,925,386; William F. Scannell, 48,201 shares and $10,413,458; Paul T. Dacier, 32,515 shares and $7,024,644; Erin McSweeney, 15,868 shares and $3,428,111; Harry L. You, 15,817 shares and $3,417,120; Amit Yoran, 23,140 shares and $4,999,298; and Denis G. Cashman, 26,790 shares and $5,787,825. See the section of this proxy statement/prospectus titled *Proposal 1: Approval of the Merger Agreement Interests of Certain EMC Directors and Officers* for a more detailed description of the interests of EMC s executive officers and directors.

Management of Denali After the Merger (See page 130)

Denali s business and affairs will be managed under the direction of the Denali board of directors. Pursuant to the Denali certificate, as described under *Comparison of Rights of Denali Stockholders and EMC Shareholders Board of Directors Number, Election and Removal of Directors and Filling Vacancies*, and the Denali stockholders agreement, as described under *Certain Relationships and Related Transactions Denali Stockholders Agreement*, the Denali board of directors will consist of three classes, the Group I directors, referred to as the Group I Directors, the Group II directors, referred to as the Group II Directors, and the Group III directors, referred to as the Group III Directors.

After the completion of the merger, by reason of their ownership of substantially all of the Class A Common Stock, the MD stockholders and the MSD Partners stockholders will have the ability to elect all of the Group I Directors, who will have an aggregate of 3 of the 13 total votes on the Denali board of directors, and all of the

Group II Directors, who will have an aggregate of 7 of the 13 total votes on the Denali board of directors. By reason of their ownership of all of the Class B Common Stock, the SLP stockholders will have the ability to elect all of the Group III Directors, who will have an aggregate of 3 of the 13 total votes on the Denali board of directors. Immediately following the completion of the merger, Michael S. Dell is expected to be the sole Group II Director and will therefore be entitled to cast a majority of the votes entitled to be cast by all Denali directors and thereby approve any matter submitted to the Denali board of directors other than any matter that also requires approval of the Capital Stock Committee or the audit committee. Immediately following the completion of the merger, Egon Durban and Simon Patterson are expected to be the sole Group III Directors. Denali s directors will owe fiduciary duties to Denali as a whole and all of Denali s stockholders and not just to holders of a particular series of shares. Denali intends to form an executive committee of its board of directors consisting entirely of Group II Directors and Group III Directors (none of whom are expected to be independent directors) and expects that a substantial portion of the power and authority of the Denali board of directors will be delegated to the executive committee.

Denali does not expect to identify all of the initial Group I Directors before the special meeting. However, Denali is obligated under the merger agreement to appoint all of the initial Group I Directors as of the completion of the merger. Denali will disclose the identities of the Group I Directors in the public filings it makes with the SEC when they are determined but in any event before the completion of the merger.

By reason of their ownership of Class A Common Stock possessing a majority of the aggregate votes entitled to be cast by the holders of the Class A Common Stock, Class B Common Stock, Class C Common Stock and Class V Common Stock, voting together as a single class, the MD stockholders and the MSD Partners stockholders will have the ability to approve any matter submitted to the vote of all of the outstanding shares of Denali common stock voting together as a single class. Through their control of Denali, the MD stockholders and the MSD Partners stockholders will, subject to any required approval of the audit committee or the Capital Stock Committee, certain special voting rights of the Class V Common Stock over actions that affect the Class V Common Stock and certain consent rights of the Denali stockholders described under *Description of Denali Capital Stock Following the Merger Denali Common Stock Voting Rights Special Voting Rights of the Class V Common Stock* and *Certain Relationships and Related Transactions Denali Stockholders Agreement MD Stockholder and SLP Stockholder Approvals*, be able to control actions to be taken by Denali, including the election of directors of Denali s subsidiaries, including VMware, amendments to Denali s organizational documents and the approval of significant corporate transactions, including mergers, sales of substantially all of Denali s assets, distributions of Denali s assets, the incurrence of indebtedness and any incurrence of liens on Denali s assets.

Regulatory Approvals Required for the Merger (See page 240)

Under the merger agreement, unless waived by the parties (subject to applicable law), the merger may not be completed until (1) the parties have filed a Notification and Report Form for Certain Mergers and Acquisitions with the FTC and the Antitrust Division of the DOJ under the HSR Act and the applicable waiting period has expired or been terminated; and (2) the approval or clearance of the merger has been granted by relevant antitrust authorities in Australia, Brazil, Canada, China, the European Union, India, Israel, Japan, Mexico, Russia, South Africa, South Korea, Switzerland, Taiwan and Turkey. As of May 23, 2016, the waiting period under the HSR Act had expired, and approval or clearance of the merger had been granted in the European Union, Australia, Brazil, Canada, India, Israel, Japan, Mexico, Russia, South Africa, South Korea, Switzerland, Taiwan and Turkey.

If the merger is not completed by December 16, 2016 or if a governmental authority in the United States or a jurisdiction in which Denali, EMC or any of their respective subsidiaries has material operations has adopted any law or regulation prohibiting or rendering the completion of the merger permanently illegal or has issued an

order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting the merger, and such order, decree or ruling has become final and nonappealable, either party has the right to terminate the merger agreement as described under *The Merger Agreement Termination*.

Material U.S. Federal Income Tax Consequences of the Merger (See page 241)

It is anticipated that the merger should generally be treated as an exchange by EMC shareholders of shares of EMC common stock for common stock of Denali and cash in a transaction described in Section 351 of the Internal Revenue Code (except to the extent treated as a redemption, as described below). However, there is a lack of certainty regarding the U.S. federal income tax treatment of the merger and the Class V Common Stock. See *Risk Factors There is a lack of certainty regarding the U.S. federal income tax treatment of the merger and the Class V Common Stock* and *Proposal 1: Approval of the Merger Agreement Material U.S. Federal Income Tax Consequences of the Merger to U.S. Holders U.S. Federal Income Tax Consequences of Alternative Treatment of the Merger or the Class V Common Stock.*

The completion of the merger is conditioned upon the receipt by each of EMC and Denali, respectively, of an opinion from its tax counsel that (1) the merger, taken together with related transactions, should qualify as an exchange described in Section 351 of the Internal Revenue Code and (2) for U.S. federal income tax purposes, the Class V Common Stock should be considered common stock of Denali. Neither Denali nor EMC currently intends to waive the opinion condition to its obligation to complete the merger. If either Denali or EMC waives the opinion condition after the registration statement of which this proxy statement/prospectus forms a part is declared effective by the SEC, and if the tax consequences of the merger to EMC shareholders have materially changed, Denali and EMC will recirculate appropriate soliciting materials to resolicit the votes of EMC shareholders.

To the extent the exchange of shares of EMC common stock for common stock of Denali and cash qualifies as an exchange described in Section 351 of the Internal Revenue Code, and subject to the discussion below regarding cash provided by EMC, U.S. holders of EMC common stock who receive cash and Class V Common Stock in the merger should recognize gain (but not loss) in an amount equal to the lesser of (1) the amount by which the sum of the fair market value of the Class V Common Stock and the amount of cash (other than cash received instead of fractional shares of Class V Common Stock) received by such holder in the exchange for shares of EMC common stock exceeds the holder s adjusted basis in such shares of EMC common stock, and (2) the amount of cash (other than cash received instead of fractional shares of Class V Common Stock) received by such holder in such exchange for shares of EMC common stock. However, to the extent that cash in the merger is considered to be provided by EMC, (i) the exchange of such cash for EMC common stock should be treated as a redemption of EMC common stock for the cash provided by EMC and (ii) to the extent so treated, a U.S. holder of EMC common stock would recognize capital gain or loss equal to the difference between the amount of cash received in such redemption and such holder s tax basis in the portion of such holder s EMC common stock deemed to have been redeemed in such redemption.

The treatment of any cash received instead of a fractional share interest in Class V Common Stock is discussed in *Proposal 1: Approval of the Merger Agreement Material U.S. Federal Income Tax Consequences of the Merger to U.S. Holders U.S. Federal Income Tax Consequences of the Merger to U.S. Holders of EMC Common Stock Cash in Lieu of Fractional Shares*.

While we believe that, for U.S. federal income tax purposes, the Class V Common Stock should be treated as common stock of Denali, there are currently no Internal Revenue Code provisions, U.S. federal income tax regulations, court decisions or published IRS rulings directly addressing the characterization of stock with characteristics similar to the Class V Common Stock. In addition, the IRS has announced that it will not issue advance rulings on the characterization of an instrument with characteristics similar to those of the Class V

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Common Stock. Accordingly, no assurance can be given that the treatment of the Class V Common Stock as common stock of Denali, if contested, would be sustained by a court. If the Class V Common Stock were not treated as common stock of Denali, the U.S. federal income tax consequences of the merger to U.S. holders of EMC common stock would differ from those described above.

For a more detailed discussion of the material U.S. federal income tax consequences of the merger and the Class V Common Stock, see *Proposal 1: Approval of the Merger Agreement Material U.S. Federal Income Tax Consequences of the Merger to U.S. Holders*.

EMC shareholders are urged to consult their tax advisors to determine the U.S. federal income tax consequences of the merger to them in light of their particular circumstances, as well as estate, gift, state, local or non-U.S. tax consequences.

Accounting Treatment (See page 245)

The merger will be accounted for using the purchase method of accounting under GAAP. Under this method of accounting, Denali will record the assets acquired and liabilities assumed of EMC as of the effective time of the merger at their fair market values. Any difference between the purchase price and the fair market value of the net tangible and identifiable intangible assets and liabilities is recorded as goodwill which will not be amortized for financial accounting purposes, but will be evaluated annually for impairment. Financial statements of Denali issued after the merger will reflect such values and will not be restated retroactively to reflect the historical financial position or results of operations of EMC. See *Proposal 1: Approval of the Merger Agreement Accounting Treatment*.

Listing of Shares of Class V Common Stock and Delisting and Deregistration of EMC Common Stock (See page 247)

Under the terms of the merger agreement, Denali is required to use its reasonable best efforts to cause the shares of Class V Common Stock to be issued in the merger to be approved for listing on the NYSE or Nasdaq, subject to official notice of issuance, prior to the closing of the merger. Such approval for listing is a condition to EMC s obligations to complete the merger, subject to official notice of issuance. Accordingly, application will be made to have the shares of Class V Common Stock to be issued in the merger approved for listing on the NYSE under the symbol DVMT.

If the merger is completed, there will no longer be any publicly held shares of EMC common stock. Accordingly, EMC common stock will no longer be listed on the NYSE and will be deregistered under the Exchange Act.

Litigation Relating to the Merger (See page 248)

In connection with the merger, purported stockholders of EMC and VMware have to date filed fifteen putative shareholder class action lawsuits against various combinations of EMC, its current and former directors, VMware, certain of VMware s directors, Denali, Dell and Merger Sub, among other defendants. The Business Litigation Session of the Massachusetts Superior Court consolidated nine of those lawsuits, which generally allege, among other things, that the directors of EMC breached their fiduciary duties to EMC shareholders in connection with the merger, by, among other things, failing to maximize shareholder value, agreeing to provisions in the merger agreement that favor Dell and discourage competing bids, and that there were various conflicts of interest in the proposed transaction. These lawsuits further allege that various combinations of defendants aided and abetted the EMC directors in the alleged breach of their fiduciary duties. The Business Litigation Session of the Massachusetts Superior Court granted EMC and its directors motion to dismiss the nine

consolidated lawsuits. Three plaintiffs have appealed the dismissal. The operative complaints in two other lawsuits generally allege that EMC, in its capacity as the majority shareholder of VMware, and individual defendants who are directors of EMC, VMware, or both, breached their fiduciary duties to minority shareholders of VMware in connection with the merger by, among other things, entering into and/or approving a merger that favors the interests of EMC and Dell at the expense of the minority shareholders. These two complaints further allege that certain defendants aided and abetted these alleged breaches of fiduciary duties. Finally, the operative complaints in four other lawsuits generally allege that the preliminary proxy statement omits and/or misrepresents material information and that such failure to disclose constitutes violations of Section 14(a) of, and Rule 14a-9 under, the Exchange Act. These four complaints further allege that various combinations of defendants are liable for violations of Section 20(a) of the Exchange Act. The fifteen lawsuits seek, among other things, injunctive relief enjoining the merger, rescission of the merger if consummated, an award of fees and costs, and/or an award of damages. Additional lawsuits arising out of or relating to the merger agreement or the merger may be filed in the future. See the section *Proposal 1: Approval of the Merger Agreement Litigation Relating to the Merger* for more information about the lawsuits related to the merger that have been filed prior to the date of this proxy statement/prospectus.

Solicitation of Acquisition Proposals (See page 262)

Until 11:59 p.m. (Eastern Time) on December 11, 2015, EMC was permitted to solicit proposals relating to alternative transactions, subject to the conditions and limitations contained in the merger agreement. Such solicitation did not result in any offers to enter into an alternative transaction.

Except as expressly permitted in the merger agreement, after December 11, 2015, EMC and its subsidiaries are not permitted to solicit alternative transactions, engage in discussions or negotiations with respect to, or provide nonpublic information to any person in connection with, any alternative transaction proposal. However, prior to the approval of the merger agreement by EMC shareholders, in response to a bona fide written acquisition proposal from a person that is not an affiliate of EMC that the EMC board of directors determines in good faith (after consultation with its outside legal advisors and a financial advisor of nationally recognized reputation) constitutes or would reasonably be expected to lead to a superior proposal, EMC may, subject to compliance with the merger agreement, (1) furnish information or data with respect to EMC and its subsidiaries to the person that is not an affiliate of EMC making such acquisition proposal and (2) participate in discussions or negotiations with the person making such acquisition proposal (and its representatives) regarding such acquisition proposal.

If the EMC board of directors concludes in good faith (after consultation with its outside legal advisors and a financial advisor of nationally recognized recognition) that such an acquisition proposal constitutes a superior proposal, the EMC board of directors would be permitted to make a change of recommendation with respect to the approval of the merger agreement by EMC shareholders or terminate the merger agreement to enter into an alternative acquisition agreement in response to an acquisition proposal. However, the EMC board of directors would not be permitted to take such action unless EMC has complied with the conditions and limitations in the merger agreement with respect to the solicitation of alternative acquisition proposals (which include an obligation to negotiate in good faith with Denali to amend the terms and conditions of the merger agreement in such a manner as would permit the EMC board of directors or EMC to not take such action).

Completion of the Merger is Subject to Certain Conditions (See page 272)

The obligations of each of Denali and EMC to effect the merger are subject to the satisfaction or (to the extent permitted by law) waiver of the following conditions:

the approval of the merger agreement by EMC shareholders;

the absence of any law, order, judgment or other legal restraint by a court or other governmental entity that makes illegal or prohibits the completion of the merger;

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- the termination or expiration of any applicable waiting period under the HSR Act and any other antitrust law of certain other jurisdictions, and all consents under any such other antitrust law having been obtained; and

- the SEC having declared effective the registration statement of which this proxy statement/prospectus forms a part.

The obligation of Denali to effect the merger is also subject to the satisfaction or waiver of the following additional conditions:

- the representations and warranties of EMC being true and correct to the extent required by, and subject to the applicable materiality standards set forth in, the merger agreement, together with the receipt by Denali of a certificate executed by EMC s chief executive officer or chief financial officer to such effect;

- EMC having performed in all material respects all obligations required to be performed by it under the merger agreement at or prior to the closing, and having performed in all respects the obligation to make available a certain amount of cash prior to the closing, together with the receipt by Denali of a certificate executed by EMC s chief executive officer or chief financial officer to such effect;

- the absence of a material adverse effect on EMC since the date of the merger agreement, together with the receipt by Denali of a certificate executed by EMC s chief executive officer or chief financial officer to such effect; and

- Denali having received a tax opinion from Simpson Thacher & Bartlett LLP regarding the U.S. federal income tax treatment of the merger and the Class V Common Stock and a copy of the tax opinion delivered to EMC referred to below.

The obligation of EMC to effect the merger is also subject to the satisfaction or waiver of the following additional conditions:

- the representations and warranties of Denali, Dell and Merger Sub being true and correct to the extent required by, and subject to the applicable materiality standards set forth in, the merger agreement, together with the receipt by EMC of a certificate executed by Denali s chief executive officer or chief financial officer to such effect;

- Denali having performed in all material respects all obligations required to be performed by it under the merger agreement at or prior to the closing, and having performed in all respects the obligation to make available a certain amount of cash prior to the closing, together with the receipt by EMC of a certificate executed by Denali s chief executive officer or chief financial officer to such effect;

EMC having received a tax opinion from Skadden, Arps, Slate, Meagher & Flom LLP regarding the U.S. federal income tax treatment of the merger and the Class V Common Stock and a copy of the tax opinion delivered to Denali referred to above; and

the approval for listing by the NYSE or Nasdaq, subject to official notice of issuance, of the Class V Common Stock.

For a more complete summary of the conditions that must be satisfied or waived prior to completion of the merger, see *The Merger Agreement Conditions to the Merger*.

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Termination of the Merger Agreement (See page 273)

The merger agreement may be terminated at any time by Denali or EMC prior to the effective time of the merger, whether before or after the receipt of the EMC shareholder approval, under the following circumstances:

- by mutual written consent;
- if the merger is not completed on or before December 16, 2016;
- if any governmental entity of competent jurisdiction located in the United States or certain other jurisdictions has deemed applicable to the merger any law that prohibits or makes permanently illegal the completion of the merger or issued a final and nonappealable order permanently enjoining or otherwise prohibiting the merger;
- if EMC shareholders vote on and fail to approve the merger agreement at the special meeting; and
- subject to cure rights, if there shall have been a breach of any of the covenants or agreements or any inaccuracy of any of the representations or warranties of the other party such that the conditions to the terminating party s obligations to complete the merger would not be satisfied.

The merger agreement may also be terminated at any time by Denali prior to the effective time of the merger if EMC has materially breached the shareholder recommendation or non-solicitation provisions of the merger agreement.

The merger agreement may also be terminated at any time by EMC prior to the effective time of the merger:

- if prior to obtaining the EMC shareholder approval of the merger agreement, as permitted by and in compliance with the terms of the merger agreement, EMC enters into a binding agreement providing for a superior proposal; or
- if all of the conditions to Denali s obligation to complete the merger have been satisfied or (to the extent permitted by law) waived (other than those conditions that, by their nature, cannot be satisfied until the closing so long as such conditions would be satisfied if the closing date were the date of termination of the merger agreement) at the time the closing is required to occur pursuant to the merger agreement, and, subject to the terms and conditions set forth in the merger agreement regarding such termination, Denali and Merger Sub fail to complete the closing as required by the merger agreement.

If the merger agreement is validly terminated, the agreement will become void and have no effect, without any liability or obligation on the part of any party, except that (1) no such termination will relieve EMC from any liability for damages for fraud or willful and material breach by EMC of the merger agreement, up to a maximum aggregate amount of $4 billion, suffered by Denali, Dell or Merger Sub and (2) certain provisions of the merger agreement, including those relating to fees and expenses, effects of termination, governing law, jurisdiction, waiver of jury trial and specific performance, will continue in effect notwithstanding termination of the merger agreement.

Termination Fees Under the Merger Agreement (See page 275)

Except as expressly provided in the merger agreement, each party will pay all fees and expenses incurred by it in connection with the merger agreement and the transactions contemplated by the merger agreement. However, upon a termination of the merger agreement, a party may become obligated to pay to the other party a termination fee, in the following circumstances:

EMC will be obligated to pay a termination fee, referred to as the EMC termination fee, of $2.5 billion to Denali if:

- the merger agreement is terminated by Denali, at a time when (1) the EMC board of directors or any committee thereof shall have made a change of recommendation, (2) EMC shall have willfully and materially breached or willfully and materially failed to perform in any material respect its obligations or agreements with respect to the solicitation of alternative acquisition proposals or its obligation to convene the EMC shareholder meeting, (3) EMC shall have failed to include its recommendation that EMC shareholders vote for the approval of the merger agreement in this proxy statement/prospectus, (4) an alternative acquisition proposal shall have been publicly announced and the EMC board of directors shall have failed to issue a press release that expressly reaffirms its recommendation that EMC shareholders vote for the approval of the merger agreement within ten business days of receipt of a written request by Denali to provide such reaffirmation, (5) any tender offer or exchange offer shall have been commenced with respect to the outstanding shares of EMC common stock, and the EMC board of directors shall not have recommended that EMC s shareholders reject such tender offer or exchange offer and not tender their EMC common stock into such tender offer or exchange offer within ten business days after commencement of such tender offer or exchange offer, or (6) EMC or the EMC board of directors (or any committee thereof) shall have resolved to, or publicly announced its intention to, take any of the foregoing actions;

the merger agreement is terminated by EMC if permitted by and in compliance with the terms of the merger agreement, prior to obtaining its shareholder approval, to enter into an alternative acquisition agreement with respect to a superior proposal, except that, if such alternative acquisition agreement was entered into prior to 11:59 p.m. (Eastern Time) on December 11, 2015, then the EMC termination fee shall instead be $2 billion; or

an alternative acquisition proposal shall have been made to EMC or directly to the EMC shareholders or shall have become publicly known or any person shall have publicly announced an intention to make an acquisition proposal and the merger agreement is terminated by Denali or EMC because the EMC shareholders vote on and fail to approve the merger agreement at the special meeting or by Denali because of EMC s breach or failure to perform any of its covenants or agreements in the merger agreement or the failure of any of EMC s representations and warranties to be true and correct, and, within 12 months of such termination, EMC enters into a definitive agreement for an alternative acquisition proposal or consummates the transactions contemplated by an alternative transaction proposal, except that references to 20% in the definition of alternative acquisition proposal will be deemed to be references to 50% and references to or any significant subsidiary of EMC and or any of its significant subsidiaries shall be deemed to refer only to VMware.

If the merger agreement is terminated by (1) EMC or Denali where the EMC shareholders have voted on and failed to approve the merger agreement at the special meeting or (2) Denali where EMC breached or failed to perform any of its covenants or agreements in the merger agreement or any inaccuracy of any of the representations or warranties of EMC, such that (subject to cure provisions) the conditions to Denali s obligations to complete the merger would not be satisfied, then EMC will be obligated to reimburse Denali for all reasonable out-of-pocket expenses (including all fees and expenses of counsel, accountants, investment banks, advisors and consultants to Denali, Merger Sub or their respective affiliates, and all out-of-pocket fees and expenses of financing sources for which Denali, Merger Sub or their affiliates may be responsible) incurred by Denali, Merger Sub or their respective affiliates in connection with the merger agreement and the transactions contemplated thereby, up to an aggregate maximum amount of $50 million.

Denali and Dell will be obligated to pay a termination fee, referred to as the reverse termination fee, of $4 billion to EMC if:

the merger agreement is terminated by EMC due to Denali s, Dell s or Merger Sub s breach or failure to perform any of its covenants or agreements in the merger agreement (subject to any cure provisions) or the inaccuracy of the representations and warranties of any of them related to the financing of the transactions contemplated by the merger agreement or the Class V Common Stock (subject to any cure provisions);

- the merger agreement is terminated by EMC in a circumstance where all of the conditions to Denali s obligation to complete the merger have been satisfied or (to the extent permitted by law) waived (other than those conditions that, by their nature, cannot be satisfied until the closing of the merger so long as such conditions would be satisfied if the closing date of the merger were the date of termination of the merger agreement) at the time the closing of the merger is required to occur pursuant to the merger agreement, and, subject to the terms and conditions set forth in the merger agreement regarding such termination, Denali and Merger Sub fail to complete the closing as required by the merger agreement, except that if the merger agreement is terminated by EMC as described in this paragraph and at such time (1) EMC has made available the target amount of cash on hand that EMC is required to make available under the merger agreement and has otherwise complied with its obligations relating to making such cash available (see *The Merger Agreement Liquidation of Investments; Cash Transfers*), (2) the financing sources for Denali s debt financing have confirmed that the debt financing will be funded in accordance with the terms thereof at the closing of the merger (assuming the substantially concurrent funding of the equity financing under the common stock purchase agreements with the existing Denali stockholder investors and the availability of the target amount of cash on hand to be made available by each of EMC and Denali), and (3) Denali and Dell do not make available the amount of cash on hand to be made available by Denali for the purpose of financing the transactions contemplated by the merger agreement (see *The Merger Agreement Denali Cash on Hand*), then the reverse termination fee payable by Dell shall instead be $6 billion; or

- the merger agreement is terminated by Denali where the merger was not completed by the outside date in circumstances where EMC could have terminated the agreement due to a breach of covenants by Denali, Dell or Merger Sub or due to a breach of the representations and warranties of Denali, Dell or Merger Sub related to the financing of the transactions contemplated by the merger agreement or the Class V Common Stock.

For example, Denali would be obligated to pay the reverse termination fee to EMC as required by the second bullet immediately above if the merger agreement is terminated by EMC because Denali and Merger Sub fail to complete the closing as required by the merger agreement solely as a result of Denali s failure to obtain its debt financing.

Common Stock Purchase Agreements (See page 278)

Concurrently with the execution of the merger agreement, Denali entered into common stock purchase agreements, referred to as the common stock purchase agreements, with (1) Silver Lake Partners III, L.P. and Silver Lake Partners IV, L.P., referred to as the SLP investors, (2) Michael S. Dell and the Susan Lieberman Dell Separate Property Trust, referred to as the MD investors, (3) MSDC Denali Investors, L.P. and MSDC Denali EIV, LLC, referred to as the MSD Partners investors and, together with the MD investors and the SLP investors, the existing Denali stockholder investors, and (4) Temasek and, together with the existing Denali stockholder investors, the common stock investors, pursuant to which the common stock investors agreed to purchase common stock of Denali on the closing date of the merger for an aggregate purchase price of up to $4.25 billion. See *The Merger Agreement Common Stock Purchase Agreements* for more information about these agreements.

Description of Denali Capital Stock Following the Merger (See pages 302 and 324)

Class V Group and DHI Group

Following the merger, Denali will have five authorized series of common stock: Class A Common Stock, Class B Common Stock, Class C Common Stock and Class D Common Stock, collectively referred to as the DHI

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Group common stock, and the Class V Common Stock. For purposes of the DHI Group common stock and the Class V Common Stock, Denali s assets, liabilities and businesses will be divided into two groups:

- the Class V Group, which initially will be comprised of Denali s post-closing economic interest in the VMware business; and
- the DHI Group, which will be comprised of the remainder of Denali s businesses, as well as a retained interest in a portion of the Class V Group, which we refer to as the inter-group interest in the Class V Group.

The shares of Class V Common Stock issued in the merger will represent a percentage interest in the Class V Group equal to the Outstanding Interest Fraction as of such date, which Denali expects will initially be equal to approximately 65%, and the DHI Group initially will have a retained interest in the remainder of the Class V Group, which Denali expects will initially be the remaining approximately 35%.

Holders of the Class V Common Stock and the DHI Group common stock will be subject to the credit risk of Denali, Denali will retain legal title to all of its assets, and Denali s tracking stock capitalization will not limit the legal responsibility of Denali or Denali s subsidiaries for their respective debts and liabilities. The DHI Group and the Class V Group are not separate legal entities and cannot own assets, and as a result, holders of the Class V Common Stock and the DHI Group common stock will not have any direct claim to, or any special legal rights related to, specific assets attributed to the Class V Group or the DHI Group, respectively.

Dividends

VMware does not currently pay dividends on its common stock, and any decisions regarding dividends on the VMware common stock would be a decision of VMware s board of directors. Denali does not presently intend to pay dividends on shares of Class V Common Stock or DHI Group common stock. If VMware were to pay a dividend on the VMware common stock owned by Denali that is attributable to the Class V Group, Denali could, but would not be required to, distribute some or all of that amount to the holders of Class V Common Stock. Should the Denali board of directors decide to declare any dividends, funds available for dividends on the DHI Group common stock and the Class V Common Stock will be limited to the lesser of the amount that would be legally available under Delaware law for the payment of dividends on the stock of such group if the group were a separate corporation and an amount equal to the funds legally available for the payment of dividends for Denali as a whole.

The Denali board of directors will have the authority and discretion to declare and pay (or to refrain from declaring and paying) dividends on outstanding shares of Class V Common Stock and dividends on outstanding shares of DHI Group common stock, in equal or unequal amounts, or only on the DHI Group common stock or the Class V Common Stock, irrespective of the amounts (if any) of prior dividends declared on, or the respective liquidation rights of, the DHI Group common stock or the Class V Common Stock, prior dividends received on the VMware common stock owned by Denali, or any other factor.

Voting Rights

The holders of the Class V Common Stock will be entitled to one vote per share of Class V Common Stock. The holders of Class A Common Stock and the Class B Common Stock will be entitled to 10 votes per share of Class A Common Stock or Class B Common Stock, as applicable, and the holders of the Class C Common Stock will be entitled to one vote per share of Class C Common Stock. The holders of the Class D Common Stock will not have any voting rights except to the extent required under Delaware law. Immediately following the completion of the merger, it is expected that the aggregate number of votes to which the holders of shares of Class V Common Stock would be entitled will represent approximately 4% of the total number of votes to which all holders of Denali common stock would be entitled, the number of votes to which the holders of shares of

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Class A Common Stock would be entitled will represent approximately 73% of the total number of votes to which all holders of Denali common stock would be entitled, the number of votes to which the holders of shares of Class B Common Stock would be entitled will represent approximately 23% of the total number of votes to which all holders of Denali common stock would be entitled, and the number of votes to which the holders of shares of Class C Common Stock would be entitled will represent less than 1% of the total number of votes to which all holders of Denali common stock would be entitled.

On matters for which holders of Class V Common Stock are entitled to vote, such holders will vote together with holders of DHI Group common stock as a single class except that, under certain limited circumstances, holders of Class V Common Stock will have the right to vote as a separate class, including (1) to approve certain changes to the Denali certificate that (i) would adversely alter or change the powers, preferences or special rights of the shares of Class V Common Stock or (ii) would change or alter certain restrictions on corporate actions, (2) to approve any merger or business combination pursuant to which (i) the holders of Denali common stock would not own at least 50% of the voting power of the surviving corporation and (ii) the holders of Class V Common Stock would not receive the same type of consideration as the other series of common stock in an aggregate amount equal to or greater in value than the proportion of the aggregate fair market value of the outstanding Class V Common Stock to the aggregate fair market value of the other outstanding series of Denali common stock and (3) to amend or repeal the provisions in the Denali bylaws that establish the Capital Stock Committee of the Denali board of directors.

The Group II Directors of Denali will be elected solely by the holders of Class A Common Stock voting as a separate class and the Group III Directors of Denali will be elected solely by the holders of Class B Common Stock voting as a separate class.

Capital Stock Committee

The Denali board of directors will create a standing committee known as the Capital Stock Committee. The Denali board of directors will not be permitted to take certain actions with respect to the Class V Common Stock without the approval of the Capital Stock Committee, including any actions that would result in any changes to the policies governing the relationship between the Class V Group and the DHI Group or in any reallocation of assets and liabilities between the Class V Group and the DHI Group. The Capital Stock Committee will consist of at least three members, the majority of whom must qualify as independent directors under the rules of the NYSE. Under the Denali board policies, if such independent directors are granted equity compensation by Denali, approximately half of the value at grant of all such compensation will consist of Class V Common Stock or options to purchase Class V Common Stock.

Listing Standards for Class V Common Stock

The NYSE has proposed new listing standards for a tracking stock, which the NYSE refers to as an Equity Investment Tracking Stock, that tracks the performance of an investment by the issuer in the common equity of another company listed on the NYSE, such as VMware. The NYSE listing standards as so proposed would allow for the listing of the Class V Common Stock, but no assurances can be given that such listing standards will be adopted in the proposed form. Under the proposed new listing standards, the Class V Common Stock could be delisted in certain circumstances, which delisting would materially adversely affect the liquidity and value of the Class V Common Stock. For example, any alteration of assets and liabilities attributed to the Class V Group that results in the Class V Common Stock ceasing to track the performance of VMware Class A common stock could result in the delisting of the Class V Common Stock. See *Risk Factors Risk Factors Relating to Denali s Proposed Tracking Stock Structure The NYSE has published new listing standards for a tracking stock of the type such as the Class V Common Stock, which tracks the performance of an investment by the issuer in the common equity of another company listed on* *the NYSE, such as VMware* and *The new listing standards*

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proposed by the NYSE include certain requirements to maintain the listing of an Equity Investment Tracking Stock. If the Class V Common Stock were delisted because of the failure to meet any of such requirements, the liquidity and value of the Class V Common Stock would be materially adversely affected and *Proposal 1: Approval of the Merger Agreement Listing of Shares of Class V Common Stock and Delisting and Deregistration of EMC Common Stock.*

Provisions Relating to Unwinding of Tracking Stock Structure and Certain Corporate Transactions

The conversion, redemption and dividend provisions of the Class V Common Stock described below are triggered upon a decision by the Denali board of directors to (1) unwind the tracking stock structure, in the case of the first provision described below, (2) redeem the Class V Common Stock, in the case of the second and third provisions described below, or (3) sell substantially all of the assets attributed to the Class V Group, in the case of the last provision described below.

Optional Conversion. At any time at which shares of Class C Common Stock are traded on a U.S. securities exchange, the Denali board of directors may convert all, but not less than all, of the shares of the Class V Common Stock into shares of Class C Common Stock at a premium to the weighted average market value of both series of shares, subject to the applicable provisions of the Denali certificate. Upon the occurrence of specified tax-related events, the Denali board of directors may convert shares of the Class V Common Stock into shares of Class C Common Stock without such a premium, so long as such shares of Class C Common Stock are registered under all applicable U.S. securities laws and are listed for trading on a U.S. securities exchange. The Class C Common Stock is not currently listed on a U.S. securities exchange and Denali does not currently have any plans to effect such a listing.

Redemption for VMware Common Stock. Subject to the applicable provisions of the Denali certificate, at any time at which shares of common stock of VMware comprise all of the assets of the Class V Group, Denali may redeem all, but not less than all, of the outstanding shares of Class V Common Stock for a number of shares of common stock of VMware that is equal to the product of the Outstanding Interest Fraction and the number of shares of common stock of VMware attributed to the Class V Group.

Redemption for Securities of Class V Group Subsidiary. Subject to the applicable provisions of the Denali certificate, at any time at which shares of common stock of VMware do not comprise all of the assets of the Class V Group, Denali may redeem all, but not less than all, of the outstanding shares of Class V Common Stock for a number of shares of common stock of a Class V Group Subsidiary that is equal to the product of the Outstanding Interest Fraction and the number of outstanding shares of common stock of such subsidiary. A Class V Group Subsidiary is a wholly owned subsidiary of Denali that holds all of the assets and liabilities attributed to the Class V Group (which subsidiary may or may not be formed specifically for the purpose of such redemption). Any shares of a Class V Group Subsidiary to be so issued must be registered under all applicable U.S. securities laws and listed for trading on a U.S. securities exchange.

Dividend, Redemption or Conversion in Case of Class V Group Disposition. Subject to the applicable provisions of the Denali certificate, upon a disposition by Denali of all or substantially all of the assets attributed to the Class V Group (which means, for this purpose, assets representing at least 80% of the fair value of the total assets of the Class V Group), Denali will be required to:

- pay a dividend to the holders of the outstanding shares of Class V Common Stock with a fair value equal to the net proceeds (as defined) of such a disposition;

redeem a number of outstanding shares of the Class V Common Stock with an aggregate weighted average market value equal to the net proceeds of such a disposition for cash or publicly traded securities with a fair value equal to such net proceeds, except that if such a disposition involves all of the assets attributed to the Class V Group, then all of the outstanding shares of Class V Common Stock may be redeemed for cash or publicly traded securities with such fair value;

convert such number of outstanding shares of Class V Common Stock into a number of shares of Class C Common Stock (if such stock is publicly traded) based on the relative weighted average market values of both series of shares; or

effect any combination of such dividend, redemption or conversion.

Liquidation

In the event of a dissolution or liquidation and winding-up of Denali, after payment or provision for payment of the debts and liabilities of Denali and payment or provision for payment of any preferential amounts due to the holders of any other class or series of stock, the holders of the DHI Group common stock and the Class V Common Stock will be entitled to receive a proportionate interest in all of Denali s assets, if any, remaining for distribution to holders of common stock in proportion to their respective number of liquidation units per share, subject to the applicable provisions of the Denali certificate.

The liquidation rights of the holders of the respective classes may not bear any relationship to the value of the assets attributed to the Class V Group or to changes in the relative value of the DHI Group common stock and the Class V Common Stock over time.

Comparison of Rights of Denali Stockholders and EMC Shareholders (See page 330)

EMC shareholders will have different rights once they become Denali stockholders due to their receipt of a tracking stock as well as due to differences between the organizational documents of Denali and EMC and differences between Delaware law, where Denali is incorporated, and Massachusetts law, where EMC is incorporated. See *Comparison of Rights of Denali Stockholders and EMC Shareholders* for a description of the differences.

Appraisal Rights of EMC Shareholders (See page 346)

Under the MBCA, EMC is required to state whether it has concluded that EMC shareholders are, are not or may be entitled to assert appraisal rights, which are generally available to shareholders of a merging Massachusetts corporation under Section 13.02(a)(1) of the MBCA, subject to certain exceptions. For the reasons described under *Appraisal Rights of EMC Shareholders,* EMC has concluded that EMC shareholders may be entitled to appraisal rights. The relevant provisions of the MBCA have not been the subject of judicial interpretation and EMC and Denali reserve the right to contest the validity and availability of any purported demand for appraisal rights in connection with the merger. In this regard, Denali has indicated that in any appraisal proceeding it will assert, and will cause EMC as its wholly owned subsidiary following completion of the merger to assert, that an exception to appraisal rights is applicable to the merger.

Under Part 13 of the MBCA, EMC shareholders who believe they are or may be entitled to appraisal rights in connection with the merger must, in order to exercise those rights:

prior to the special meeting, deliver to EMC a written notice of intent to demand payment for such shareholders shares of EMC common stock if the merger is effectuated;

NOT vote for the proposal to approve the merger agreement; and

comply with other procedures under Part 13 of the MBCA.

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Your failure to follow exactly the procedures specified under the MBCA will result in the loss of any appraisal rights. If you hold your shares of EMC common stock through a bank, brokerage firm or other nominee and you wish to exercise appraisal rights, you should consult with your bank, brokerage firm or other nominee to determine the appropriate procedures for the making of a demand for appraisal by your bank, brokerage firm or nominee. See the section entitled *Appraisal Rights of EMC Shareholders* and the text of Part 13 of the MBCA reproduced in its entirety as *Annex E* to this proxy statement/prospectus for further information.

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CAUTIONARY INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

Statements included in this proxy statement/prospectus that are not historical in nature are forward-looking statements within the meaning of federal securities laws. When used in this proxy statement/prospectus and in documents incorporated by reference into this proxy statement/prospectus, forward-looking statements include, without limitation, statements regarding financial estimates, regulatory approvals and the expected timing, completion and effects of the merger, future financial and operating results, the combined company s plans, expectations, beliefs, intentions and future strategies, and other statements that are not historical facts that are signified by the words anticipate, believe, estimate, expect, intend, may, objective, outlook, plan, project, possible, similar expressions.

These statements regarding future events or the future performance or results of the combined company inherently are subject to a variety of risks, contingencies and other uncertainties that could cause actual results, performance or achievements to differ materially from those described in or implied by the forward-looking statements. The risks, contingencies and other uncertainties that could result in the failure of the merger to be completed or, if completed, that could have an adverse effect on the results of operations, cash flows and financial position of the combined company and any anticipated benefits of the merger to Denali and EMC shareholders, include:

the failure to obtain necessary regulatory or other approvals for the merger or, if such approvals are obtained, the possibility that they may be subject to conditions that could reduce the expected benefits of the merger, result in a material delay in, or the abandonment of, the merger or otherwise have an adverse effect on Denali;

the failure to obtain the necessary financing arrangements as set forth in the debt commitment letter and the common stock purchase agreements with the MD stockholders, the MSD Partners stockholders, the SLP stockholders, or the failure of the merger to close for any other reason;

the failure to satisfy required closing conditions or complete the merger in a timely manner;

the failure to obtain necessary EMC shareholder approval of the merger agreement;

the effect of the announcement of the merger on the ability to retain and hire key personnel and maintain business relationships, and on operating results and businesses generally;

the effect of restrictions placed on EMC s or its subsidiaries business activities and the limitations put on EMC s ability to pursue alternatives to the merger pursuant to the merger agreement;

the possibility of delay or prevention of the merger by lawsuits challenging the merger filed against Denali, EMC and the members of the EMC board of directors;

the uncertainty of the market price of the Class V Common Stock EMC shareholders will receive in the merger following the merger and differences in the market price of the Class V Common Stock relative to the market price of the VMware Class A common stock;

the existence of interests of directors and executive officers of EMC in the merger that are different from, or in addition to, the interests of EMC shareholders generally;

the effect of the substantial additional indebtedness that Denali will incur in connection with the merger;

the likelihood that Denali s actual results of operations and financial position after the merger will be materially different from those reflected in the Denali unaudited pro forma condensed combined financial statements included in this proxy statement/prospectus;

the difference in rights provided to EMC shareholders under Massachusetts law, the EMC articles and the EMC bylaws, as compared to the rights EMC shareholders will obtain as Denali stockholders under Delaware law, the Denali certificate and the Denali bylaws;

- the failure or delay in realizing expected synergies and other benefits from the merger;

- risks related to diversion of management s attention from Denali s and EMC s ongoing business operations due to the transaction;

- the incurrence of significant pre- and post-transaction related costs in connection with the merger; and

- the occurrence of any event giving rise to the right of a party to terminate the merger.

For a further discussion of these and other risks, contingencies and uncertainties applicable to Denali and EMC, see *Risk Factors* and EMC s filings with the SEC incorporated by reference into this proxy statement/prospectus.

Due to these risks, contingencies and other uncertainties, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this proxy statement/prospectus. Except as provided by federal securities laws, neither Denali nor EMC is required to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to Denali or EMC or any person acting on behalf of either company are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Denali and EMC do not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this proxy statement/prospectus or to reflect the occurrence of unanticipated events, except as may be required under applicable federal securities laws.

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RISK FACTORS

In deciding whether to vote for the approval of the merger agreement, EMC shareholders should carefully consider the following risk factors and all of the information contained in or incorporated by reference into this proxy statement/prospectus, including but not limited to the matters addressed in Cautionary Information Regarding Forward-Looking Statements and the matters discussed under Item 1A. Risk Factors of EMC s Annual Report on Form 10-K for the year ended December 31, 2015, as updated from time to time in EMC s subsequent filings with the SEC, which are incorporated by reference into this proxy statement/prospectus. See Where You Can Find More Information for information on how to obtain copies of the incorporated documents or view them via the Internet.

Risk Factors Relating to the Merger

The merger is subject to the receipt of consents and clearances from certain regulatory authorities that may impose conditions that could reduce the expected synergies and other benefits of the merger, result in a material delay in, or the abandonment of, the merger or otherwise have an adverse effect on Denali.

Before the merger can be completed, waiting periods must expire or terminate and applicable clearances must be obtained under applicable antitrust laws, including the HSR Act and the competition laws of the European Union and China, among others. In deciding whether to grant antitrust clearances, the relevant authorities will consider the effect of the merger on competition within their relevant jurisdictions. Although Denali and EMC have agreed in the merger agreement to use their reasonable best efforts to make certain governmental filings and, subject to certain limitations, obtain the required governmental authorizations, there can be no assurance that the relevant authorizations will be obtained.

The governmental authorities from which these authorizations are required have broad discretion in administering the governing regulations. The terms and conditions of approvals that are granted may impose requirements, limitations, costs or restrictions on the conduct of Denali s and its subsidiaries businesses following the closing of the merger. Under the terms of the merger agreement, subject to certain conditions, Denali or its subsidiaries could be required to divest, hold separate or otherwise take actions that would limit their ownership or control, or their ability to retain or hold, directly or indirectly, businesses, assets, equity interests, product lines, properties or services (including those of EMC and its subsidiaries). Moreover, governmental authorities could seek to prevent or enjoin the completion of the merger, and under the terms of the merger agreement, subject to certain conditions, Denali and EMC have agreed to litigate or defend against any such proceeding involving governmental authorities. Additional information about each party s commitments to take certain specified actions, subject to certain exceptions and limitations, in connection with obtaining regulatory approvals are described under *Proposal 1: Approval of the Merger Agreement Regulatory Approvals Required for the Merger* and *The Merger Agreement Governmental Approvals*.

There can be no assurance that regulators will not impose terms, conditions, requirements, limitations, costs or restrictions that would delay the closing of the merger, impose additional material costs on or limit the revenues of Denali, or limit some of the synergies and other benefits that Denali and EMC expect following the closing of the merger. In addition, neither Denali nor EMC can provide any assurance that any such terms, conditions, requirements, limitations, costs or restrictions will not result in a material delay in, or the abandonment of, the merger. Any delay in completing the merger or any modification to the transactions currently contemplated may adversely affect the synergies and other benefits that Denali expects to achieve if the merger and the integration of the companies respective businesses are completed within the expected timeframe.

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The merger is subject to a number of conditions to the obligations of both Denali and EMC to complete the merger, which, if not fulfilled, or not fulfilled in a timely manner, may result in termination of the merger agreement.

The merger agreement contains a number of conditions to the completion of the merger, including, among others:

- approval of the merger agreement by EMC shareholders;
- the termination or expiration of any applicable waiting period under the HSR Act;
- the approval for listing by the NYSE or Nasdaq of the Class V Common Stock issuable to EMC shareholders in the merger;
- the absence of any law, order, judgment or other legal restraint issued or imposed by a court or other governmental entity that makes illegal or prohibits the closing of the merger;
- the accuracy of the representations and warranties made in the merger agreement by the other party, subject to certain qualifications;
- performance by the other party of the obligations required to be performed by it at or prior to the completion of the merger, including with respect to the delivery of a certain amount of cash on hand required to be delivered at the closing of the merger; and
- the absence of a material adverse effect (as defined in *The Merger Agreement Representations and Warranties*) since the date of the merger agreement.

For a more complete summary of the conditions that must be satisfied or waived prior to the completion of the merger, see *The Merger Agreement Conditions to the Merger*.

Many of the conditions to the closing of the merger are not within either Denali s or EMC s control, and neither company can predict when or if these conditions will be satisfied. The merger agreement provides for an outside date of December 16, 2016 for the completion of the merger, beyond which the merger agreement may be terminated by either party. Although Denali and EMC have agreed in the merger agreement to use their reasonable best efforts, subject to certain limitations, to complete the merger as promptly as practicable, these and other conditions to the completion of the merger may fail to be satisfied. In addition, satisfying the conditions to and completion of the merger may take longer, and could cost more, than Denali and EMC expect. Any delay in completing the merger may adversely affect the synergies and other benefits that Denali expects to achieve if the merger and the integration of the companies respective businesses are completed within the expected timeframe. See the sections entitled *The Merger Agreement Termination* for a discussion of the rights of each of Denali and EMC to terminate the merger agreement, and *The Merger Agreement Conditions to the Merger* for a discussion of the conditions to the closing of the merger.

Because the merger is subject to the approval of the merger agreement by EMC shareholders, failure to obtain this approval would prevent the closing of the merger.

Before the merger can be completed, EMC shareholders must approve the merger agreement. There can be no assurance that this approval will be obtained. Failure to obtain the required approval within the expected time- frame, or having to make significant changes to the structure, terms or conditions of the merger to obtain such approval, may result in a material delay in, or the abandonment of, the merger. Any delay in completing the merger may adversely affect the synergies and other benefits that Denali expects to achieve if the merger and the integration of the companies respective businesses are completed within the expected time period.

Uncertainties associated with the merger may cause a loss of Denali s, EMC s and VMware s senior management personnel and other key employees, which could have an adverse effect on the results of operations, cash flows and financial position of Denali and EMC.

Denali and EMC and their respective subsidiaries (including VMware) are dependent on the continued availability and service of senior management personnel. Denali s success after the merger will depend in part upon its ability and the abilities of its subsidiaries to retain and hire executive officers, other key senior management personnel and other key employees. The employees of Denali and EMC and their respective subsidiaries (including VMware) may experience uncertainty about their roles within Denali or EMC following the merger. This uncertainty may inhibit each company s ability to retain those executive officers, other key senior management personnel and other key employees following the merger. There can be no assurance that executive officers, other key senior management personnel and other key employees can be retained either prior to or following the closing of the merger to the same extent that Denali and EMC and their respective subsidiaries (including VMware) have previously been able to attract and retain their own employees. Any loss of such employees could have an adverse effect on the results of operations, cash flows and financial position of Denali and EMC.

The business relationships of Denali and EMC and their respective subsidiaries (including VMware) may be subject to disruption due to uncertainty associated with the merger, which could have an adverse effect on the results of operations, cash flows and financial position of Denali and EMC.

Parties with which Denali or EMC, or their respective subsidiaries (including VMware), do business may experience uncertainty associated with the merger and related transactions, including with respect to current or future business relationships with Denali, EMC, their respective subsidiaries (including VMware) or the combined business of Dell and EMC. The business relationships of Denali and EMC and their respective subsidiaries (including VMware) may be subject to disruption as customers, distributors, suppliers, vendors and others may attempt to negotiate changes in existing business relationships or consider entering into business relationships with parties other than Denali, EMC, their respective subsidiaries (including VMware) or the combined business of Dell and EMC. These disruptions could have an adverse effect on the results of operations, cash flows and financial position of Denali following the closing of the merger, including an adverse effect on Denali s ability to realize the expected synergies and other benefits of the merger. The risk, and adverse effect, of any disruption could be exacerbated by a delay in the completion of the merger or a termination of the merger agreement.

The merger agreement subjects EMC to restrictions on its business activities.

The merger agreement subjects EMC to restrictions on its business activities and obligates EMC generally to use commercially reasonable efforts to carry on its business in the ordinary course consistent with past practice. These restrictions could prevent EMC from pursuing attractive business opportunities that arise prior to the completion of the merger, and could otherwise have an adverse effect on EMC s (or, following completion of the merger, Denali s) results of operations, cash flows and financial position. Such restrictions generally include restrictions on:

- payment of dividends;
- stock splits, issuances of stock or similar transactions;
- repurchases or redemptions of stock or securities;
- amendments of organizational documents;

acquisitions and sales of assets, and merger and acquisition activity;

incurrences or repayments of indebtedness;

loans or advances by EMC;

capital expenditures;

settlements of claims or litigation matters;

amendments of material contracts;

certain actions with respect to benefit plans or hiring or compensation of employees;

recognition of labor organizations;

revaluation of assets or changes in accounting policies;

plant closings or mass layoffs;

actions in connection with the complete or partial liquidation of EMC or any of its subsidiaries;

changes in methods of tax accounting or tax elections, or settlements of tax audits or proceedings, or the filing of amendments to tax returns;

failure to acquire additional shares of VMware common stock if such failure would cause VMware to cease to be a member of the affiliated group of corporations filing a consolidated tax return with EMC; and

authorizing, committing, resolving or agreeing to do any of the foregoing.

These restrictions do not apply to actions taken by VMware or Pivotal Software, Inc., referred to as Pivotal, a majority owned subsidiary of EMC in which VMware has an interest, although the merger agreement includes restrictions on the taking of certain actions by EMC in its capacity as a stockholder of VMware and Pivotal. See *The Merger Agreement Conduct of Business* for a more complete description of the restrictions on EMC s business activities.

Lawsuits have been filed and other lawsuits may be filed challenging the merger. An adverse ruling in any such lawsuit may delay the merger or prevent the merger from being completed.

Fifteen putative shareholder class action lawsuits have been filed against various combinations of EMC, its current and former directors, VMware, certain of VMware s directors, Denali, Dell and Merger Sub, among other defendants. The Business Litigation Session of the Massachusetts Superior Court consolidated nine of those lawsuits, which generally allege, among other things, that the directors of EMC breached their fiduciary duties to EMC shareholders in connection with the merger, by, among other things, failing to maximize shareholder value, agreeing to provisions in the merger agreement that favor Dell and discourage competing bids, and that there were various conflicts of interest in the proposed transaction. These lawsuits further allege that various combinations of defendants aided and abetted the EMC directors in the alleged breach of their fiduciary duties. The Business Litigation Session of the Massachusetts Superior Court granted EMC and its directors motion to dismiss the nine consolidated lawsuits. Three plaintiffs have appealed the dismissal. The operative complaints in two other lawsuits generally allege that EMC, in its capacity as the majority shareholder of VMware, and individual defendants who are directors of EMC, VMware, or both, breached their fiduciary duties to minority shareholders of VMware in connection with the merger by, among other things, entering into and/or approving a merger that favors the interests of EMC and Dell at the expense of the minority shareholders. These two complaints further allege that certain defendants aided and abetted these alleged breaches of fiduciary duties. Finally, the operative complaints in four other lawsuits generally allege that the preliminary proxy statement omits and/or misrepresents material information and that such failure to disclose constitutes violations of Section 14(a) of, and Rule 14a-9 under, the Exchange Act. These four complaints further allege that various combinations of defendants are liable for violations of Section 20(a) of the Exchange Act. The fifteen lawsuits seek, among other things, injunctive relief enjoining the merger, rescission of the merger if consummated, an award of fees and costs, and/or an award of damages. Additional lawsuits arising out of or relating to the merger agreement or the merger may be filed in the future.

See the section *Proposal 1: Approval of the Merger Agreement Litigation Relating to the Merger* for more information about the lawsuits related to the merger that have been filed prior to the date of this proxy statement/prospectus. Lawsuits challenging the merger could prevent the merger from being completed, or could result in a material delay in, or the abandonment of, the merger.

One of the conditions to completion of the merger is the absence of any applicable law (including any order) being in effect in the United States or certain other jurisdictions that prohibits consummation of the merger. Accordingly, if a plaintiff in any such jurisdiction is successful in obtaining an order that prohibits consummation of the merger, then such order may prevent the merger from being completed, or from being completed within the expected timeframe.

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The merger consideration payable for each outstanding share of EMC common stock will be adjusted to reflect the number of shares of EMC common stock outstanding immediately prior to the merger, but will not be adjusted in the event of any change in EMC s stock price prior to the closing of the merger.

In the merger, each share of EMC common stock issued and outstanding immediately prior to the effective time of the merger (other than shares owned by Denali, Merger Sub or any of EMC s wholly owned subsidiaries, and other than shares with respect to which EMC shareholders are entitled to and properly exercise appraisal rights) automatically will be converted into the right to receive the merger consideration, consisting of (1) $24.05 in cash, without interest, and (2) a number of validly issued, fully paid and non-assessable shares of Class V Common Stock equal to the quotient (rounded to the nearest five decimal points) obtained by dividing (A) 222,966,450 by (B) the aggregate number of shares of EMC common stock issued and outstanding immediately prior to the effective time of the merger, plus cash in lieu of any fractional shares.

Because the aggregate number of shares of Class V Common Stock that may be issued in the merger is fixed, the number of shares of Class V Common Stock to be issued for each share of EMC common stock will depend on the aggregate number of shares of EMC common stock outstanding at the time of the merger. Pursuant to the terms of the merger agreement, immediately prior to the vesting effective time of the merger, all EMC restricted stock units will fully vest (with performance vesting units vesting at the target level of performance), all unvested options will vest and all unexercised options will be automatically exercised on a net exercise basis. As a result, the aggregate number of shares of EMC common stock outstanding at the time of the merger (and therefore the number of shares of Class V Common Stock to be issued for each share of EMC common stock) will depend on (1) the number of unvested restricted stock units and options that are forfeited prior to the merger as a result of the termination of the relevant employee s employment with EMC, (2) the number of vested options that are exercised prior to the merger and (3) the closing price of EMC s common stock on the last trading day before the completion of the merger.

The merger agreement provides for the issuance of 222,966,450 shares of Class V Common Stock in the merger (assuming EMC shareholders either are not entitled to or do not properly exercise appraisal rights). Such shares of Class V Common Stock are intended to track and reflect the economic performance of approximately 65% of EMC s current economic interest in the VMware business, which currently consists of approximately 343 million shares of VMware common stock. The number of shares issuable in the merger will not be adjusted for changes in the market price of EMC common stock between the date of signing the merger agreement and the completion of the merger.

Because there is no established trading market or market price of Class V Common Stock, the value of the merger consideration that EMC shareholders will receive in the merger is uncertain.

Although the cash portion of the merger consideration is known, the value of the stock portion of the merger consideration will depend on the market price of Class V Common Stock following the merger. While the Class V Common Stock is intended to track the performance of a portion of Denali s economic interest in the VMware business following the completion of the merger, there can be no assurance that the market price of the Class V Common Stock will, in fact, reflect the performance of such interest. The Class V Common Stock and the VMware Class A common stock have different characteristics, which Denali expects may affect their respective market prices in distinct ways. Accordingly, at the time of the special meeting, the value of the stock portion of the merger consideration will not be known. Market reaction to the establishment of tracking stocks is unpredictable and Denali does not know how the market will react to the issuance of the Class V Common Stock. Until an orderly trading market develops for Class V Common Stock following the completion of the merger, the trading price of Class V Common Stock may fluctuate significantly.

Denali and EMC shareholders are urged to obtain current market quotations for shares of EMC common stock.

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Between the date the merger agreement was entered into and the date of this proxy statement/prospectus, the market value of the VMware Class A common stock has declined, thereby reducing the implied value of the stock portion of the merger consideration. Changes in the market value of the VMware Class A common stock also will impact the amount of cash that holders of EMC common stock will receive in the merger in lieu of fractional shares of Class V Common Stock.

Since the public announcement of the merger, the stock price of VMware Class A common stock has fluctuated, and the stock price may continue to fluctuate in the future. Changes in the market value of VMware Class A common stock may result from a variety of factors, including, among others, general market and economic conditions, changes in VMware s business, financial results and prospects, market assessments of the likelihood that the merger transactions will be completed, the timing of the merger and regulatory considerations. On October 9, 2015, the last trading date before the public announcement of the transaction, the closing price of VMware Class A common stock as reported on the NYSE was $78.65. On [ ], 2016, the most recent practicable trading date before the date of this proxy statement/prospectus, the closing price of VMware Class A common stock as reported on the NYSE was $[ ]. As a result, the reduction of the market price of VMware Class A common stock since the merger agreement was executed has resulted in a reduction in the implied value of the stock portion of the merger consideration. Despite their differing characteristics, we believe that changes in the market value of the VMware Class A common stock before the completion of the merger may impact the market value of the Class V Common Stock at the time the merger is completed.

No fractional shares of Class V Common Stock will be issued in the merger. Each holder of EMC common stock who otherwise would have been entitled to receive a fraction of a share of Class V Common Stock in the merger shall receive in lieu thereof cash (rounded to the nearest cent) equal to the product of (1) such fractional share interest multiplied by (2) the average closing price of a share of VMware Class A common stock over the 10 trading days prior to the completion of the merger. As a result, if the merger were completed on the date of this proxy statement/prospectus, the reduction in the market price of VMware Class A common stock since the merger agreement was executed would have resulted in a reduction in the amount of cash received by EMC shareholders in lieu of fractional shares of Class V Common Stock.

EMC s directors and executive officers may have interests in the merger that are different from, or in addition to, the interests of EMC shareholders generally.

Certain of the directors and executive officers of EMC have interests in the merger that are different from, or in addition to, the interests of EMC shareholders generally. These interests include, among others:

- certain acceleration of and payment in respect of outstanding equity awards prior to the vesting effective time of the merger;
- pro-rata payment of the annual bonus for 2016 upon a qualifying termination of employment following the completion of the merger;
- certain change in control and termination benefits under existing severance agreements in connection with certain termination events generally relating to an executive s employment following the completion of the merger; and

- certain commitments by Denali to indemnification, advancement of expenses and directors and officers insurance for executive officers and directors as provided in the merger agreement.

These interests may cause EMC s directors and executive officers to view the proposals relating to the merger differently than EMC shareholders may view them. For further information, see *Proposal 1: Approval of the Merger Agreement Interests of Certain Denali Directors and Officers* and *Proposal 1: Approval of the Merger Agreement Interests of Certain EMC Directors and Officers*.

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The fairness opinions obtained by the EMC board of directors from its financial advisors will not reflect changes, circumstances, developments or events that may occur or may have occurred after the date of the opinions.

EMC has not obtained updated opinions in respect of the consideration to be paid to holders of EMC common stock in connection with the merger from its financial advisors, Morgan Stanley and Evercore, as of the date of this proxy statement/prospectus and does not expect to receive updated opinions prior to the completion of the merger. Changes in financial, economic, market and other conditions on which the opinions of Morgan Stanley and Evercore were based may significantly alter the value of Denali or EMC or the price of EMC common stock prior to the completion of the merger. The opinions of Morgan Stanley and Evercore do not speak as of the time the merger will be completed or as of any date other than the date of the respective opinion. Because Morgan Stanley and Evercore will not be updating their opinions, which were rendered on October 11, 2015, the opinions will not address the fairness of the merger consideration from a financial point of view at the time the merger is completed. The recommendation of the EMC board that EMC shareholders vote **FOR** the approval of the merger agreement, **FOR** the approval, on a non-binding, advisory basis, of the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger and **FOR** the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement, however, are made as of the date of this proxy statement/prospectus. The opinions of Morgan Stanley and Evercore are included as *Annexes F* and *G* to this proxy statement/prospectus, respectively. For a description of the opinions that the EMC board of directors received from Morgan Stanley and Evercore and a summary of the material financial analyses they provided to the EMC board of directors in connection with rendering such opinions, see *Proposal 1: Approval of the Merger Agreement Opinions of EMC s Financial Advisors.*

The merger agreement includes restrictions on EMC s ability to pursue alternatives to the merger.

The merger agreement contains provisions that restrict EMC s ability to pursue alternative acquisition proposals and limit the ability of EMC and Denali to terminate the merger agreement. The definition of material adverse effect is limited under the merger agreement. Certain events could materially and adversely affect Denali s, EMC s or their respective subsidiaries business, but not give rise to a right of termination under the merger agreement.

The merger agreement contains provisions that make it more difficult for EMC to sell its business to a party other than Denali. These provisions include a general prohibition on EMC soliciting any acquisition proposal or offer for a competing transaction, other than during the 60-day period following the date of the merger agreement. Further, there are only limited exceptions to EMC s agreement that the EMC board of directors will not withdraw or modify in a manner adverse to Denali the recommendation of the EMC board of directors that EMC shareholders approve the merger agreement, and Denali generally has a limited right to match any competing acquisition proposals that may be made. Even if the EMC board of directors withdraws or qualifies its recommendation with respect to the merger agreement, in accordance with the terms and conditions of the merger agreement, EMC will nevertheless be required to submit the approval of the merger agreement to a vote by EMC shareholders at a special meeting, unless the merger agreement is terminated by Denali prior to the special meeting date in accordance with its terms.

In certain cases, upon termination of the merger agreement, EMC will be required to pay to Denali a termination fee of $2.5 billion (which, under certain circumstances, would be decreased to $2 billion). In addition, if the merger agreement is terminated in certain circumstances, EMC may be required to reimburse Denali s expenses in connection with the merger agreement and the transactions contemplated thereby, up to a maximum of $50 million. EMC may also be liable to Denali for damages for fraud or willful and material breaches of the merger agreement, up to a maximum aggregate amount of $4 billion.

For more information about the parties termination rights and the termination fee provisions, see *The Merger Agreement Termination*, and *Termination Fees*.

Failure to complete the merger could negatively impact EMC s stock price and have an adverse effect on its results of operations, cash flows and financial position.

If the merger is not completed for any reason, including as a result of a failure of EMC shareholders to approve the merger agreement, the ongoing business of EMC may be adversely affected and, without realizing any of the benefits of having completed the merger, EMC would be subject to a number of risks, including the following:

- EMC may experience negative reactions from the financial markets, including negative impacts on the market price of EMC common stock;

- EMC and its subsidiaries may experience negative reactions from their customers, regulators and employees, which may impair EMC s ability to attract, retain and motivate key personnel, and could cause customers, suppliers, financial counterparties, joint venture partners and others to seek to change existing business relationships with EMC;

- EMC will be required to pay certain costs relating to the merger, whether or not the merger is completed;

- EMC may be required to pay a cash termination fee as set forth in the merger agreement;

- the merger agreement places certain restrictions on the conduct of the business of EMC and its subsidiaries prior to the completion of the merger, which may prevent them from making certain acquisitions, taking certain other specified actions or otherwise pursuing business opportunities during the pendency of the merger;

- matters relating to the merger (including integration planning) will require substantial commitments of time and resources by EMC management, which could result in the distraction of EMC management from ongoing business operations during the pendency of the merger; and

- EMC may become subject to litigation related to any failure to complete the merger or related to any proceeding commenced against EMC seeking to compel it to perform its obligations under the merger agreement.

If the merger is not completed, the effects of the risks described above may occur and have an adverse impact on EMC s results of operations, cash flows, financial position and stock price.

There is a lack of certainty regarding the U.S. federal income tax treatment of the merger and the Class V Common Stock.

The closing of the merger is conditioned upon the receipt by each of EMC and Denali of an opinion from its tax counsel that (1) the merger, taken together with related transactions, should qualify as an exchange described in Section 351 of the Internal Revenue Code and (2) for U.S. federal income tax purposes, the Class V Common Stock should be considered common stock of Denali. The opinions will rely on the facts as stated in the merger agreement, this proxy statement/prospectus and certain other documents, representations of EMC, Denali and others to be delivered at the time of the closing of the merger, and customary assumptions. The failure of any factual representation or assumption to be true, correct and complete in all material respects could adversely affect the opinions and cause them to be invalid. The opinions will be based on current law in effect on the date of the opinions, and cannot be relied upon if such law changes with retroactive effect. An opinion of counsel represents counsel s best legal judgment but is not binding on the IRS or on any court. The parties do not intend to request any ruling from the IRS as to the U.S. federal income tax consequences of the merger, and the IRS has announced that it will not issue advance rulings on the characterization of an instrument with characteristics similar to those of the Class V Common Stock. There are currently no Internal Revenue Code provisions, U.S. federal income tax regulations, court decisions or published IRS rulings directly addressing the characterization of stock with characteristics similar to those of the Class V Common Stock. Consequently, Denali cannot make any assurance that the IRS will not assert, or that a court will not sustain, a position contrary to any of the tax consequences set forth under *Proposal 1: Approval of the Merger Agreement Material U.S. Federal Income Tax Consequences of the Merger to U.S. Holders* or any of the tax consequences described in the tax opinions.

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If the IRS were to be successful in any such contention, or if for any other reason the merger were to fail to qualify as an exchange described in Section 351 of the Internal Revenue Code or the Class V Common Stock were to fail to be treated as common stock of Denali, then:

- each EMC shareholder would recognize gain or loss with respect to such shareholder s shares of EMC common stock as a result of the merger equal to the difference between (1) the sum of the fair market value of the Class V Common Stock and cash received and (2) the shareholder s basis in the EMC common stock exchanged;

- EMC may be required to recognize gain for U.S. federal income tax purposes in an amount equal to the excess of the fair market value of the VMware common stock that is tracked by the Class V Common Stock over EMC s basis in such VMware common stock, which liability would be allocated to the Class V Group pursuant to the Denali Tracking Stock Policy if such tax liability is imposed as a result of a change in tax law under certain circumstances, and would be allocated to the DHI Group in all other circumstances; and

- Denali may no longer be able to file consolidated U.S. federal income tax returns that include VMware, which could require Denali to file amended tax returns and pay additional taxes.

The tax liabilities described in the second and third bullet points immediately above, if they arise, would be likely to have a material adverse effect on Denali and its subsidiaries. For additional information regarding the material U.S. federal income tax consequences of the merger and the Class V Common Stock, see *Proposal 1: Approval of the Merger Agreement Material U.S. Federal Income Tax Consequences of the Merger to U.S. Holders*.

No IRS ruling has been obtained with respect to the tax consequences of the merger or the issuance of Class V Common Stock.

The parties do not intend to request any ruling from the IRS as to the U.S. federal income tax consequences of the merger, and the IRS has announced that it will not issue advance rulings on the characterization of an instrument with characteristics similar to those of the Class V Common Stock. Opinions of counsel are not binding on the IRS and the conclusions expressed in the opinions of the respective tax counsel of EMC and Denali could be challenged by the IRS.

Risk Factors Relating to the Combined Company

After the completion of the merger, the MD stockholders, the MSD Partners stockholders and the SLP stockholders will have the ability to elect all of the directors of Denali and such stockholders interests may differ from the interests of the holders of Class V Common Stock.

After the completion of the merger, by reason of their ownership of substantially all of Denali s Class A Common Stock, the MD stockholders and the MSD Partners stockholders will have the ability to elect all of the Group I Directors, who will have an aggregate of 3 of the 13 total votes on the Denali board of directors, and all of the Group II Directors, who will have an aggregate of 7 of the 13 total votes on the Denali board of directors. By reason of their ownership of all of the Class B Common Stock, the SLP stockholders will have the ability to elect all of the Group III Directors, who will have an aggregate of 3 of the 13 total votes on the Denali board of directors. Immediately following the completion of the merger, Michael S. Dell is expected to be the sole Group II Director and will therefore be entitled to cast a majority of the votes entitled to be cast by all Denali directors and thereby approve any matter submitted to the Denali board of directors other than any matter that also requires the separate approval of the Capital Stock Committee or the audit committee. Immediately following the completion of the merger, Egon Durban and Simon Patterson are expected to be the sole Group III Directors. Denali s directors will owe fiduciary duties to Denali as a whole and all of Denali s stockholders and not just to holders of a particulars series of shares.

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After the completion of the merger, Denali will be controlled by the MD stockholders, the MSD Partners stockholders and the SLP stockholders, whose interests may differ from the interests of the holders of Class V Common Stock.

By reason of their ownership of Class A Common Stock possessing a majority of the aggregate votes entitled to be cast by holders of Denali s Class A Common Stock, Class B Common Stock, Class C Common Stock and Class V Common Stock, voting together as a single class, the MD stockholders and the MSD Partners stockholders will have the ability to approve any matter submitted to the vote of all of the outstanding shares of Denali common stock voting together as a single class.

Through their control of Denali, the MD stockholders and the MSD Partners stockholders will, subject to certain special voting rights of the Class V Common Stock related to actions that affect the Class V Common Stock and certain consent rights of the SLP stockholders described under *Description of Denali Capital Stock Following the Merger Denali Common Stock Voting Rights Special Voting Rights of the Class V Common Stock* and *Certain Relationships and Related Transactions Denali Stockholders Agreement MD Stockholder and SLP Stockholder Approvals,* be able to control actions to be taken by Denali, including the election of directors of Denali s subsidiaries (including VMware and its subsidiaries), amendments to Denali s organizational documents and the approval of significant corporate transactions, including mergers, sales of substantially all of Denali s assets, distributions of Denali s assets, the incurrence of indebtedness and any incurrence of liens on Denali s assets.

After the completion of the merger, the Denali board of directors intends to form an executive committee of the board consisting entirely of directors designated by the MD stockholders and the SLP stockholders and expects that a substantial portion of the power and authority of the Denali board of directors will be delegated to the executive committee.

After the completion of the merger, the Denali board of directors intends to form an executive committee of the board consisting entirely of Group II Directors and Group III Directors (none of whom are expected to be independent directors) and expects that a substantial portion of the power and authority of the Denali board of directors will be delegated to the executive committee. It is expected that, among other things, the executive committee will be delegated the board s full power and authority to review and approve, with respect to Denali and its subsidiaries, acquisitions and dispositions, the annual budget and business plan, the incurrence of indebtedness, entry into material commercial agreements, joint ventures and strategic alliances, and the commencement and settlement of material litigation. In addition, the executive committee is expected to act as the compensation committee of Denali s board of directors. See *Management of Denali After the Merger Committees of the Board of Directors Executive Committee*. The interests of the MD stockholders and the SLP stockholders may differ materially from the interests of the holders of Class V Common Stock and Denali s other stakeholders.

The MD stockholders and the SLP stockholders will be able to continue to strongly influence or effectively control decisions made by the Denali board of directors even if they own less than 50% of Denali s combined voting power.

So long as the MD stockholders and the SLP stockholders continue to own a significant amount of Denali s combined voting power, even if such amount is less than 50%, they will continue to be able to strongly influence or effectively control decisions made by the Denali board of directors. For example, prior to an initial public offering of DHI Group common stock, so long as the MD stockholders and the SLP stockholders each continue to beneficially own an aggregate number of shares of DHI Group common stock equal to 10% or more of the Reference Number (which is defined as 98,181,818 shares of DHI Group common stock (as adjusted for any stock split, stock dividend, reverse stock split or similar event occurring after the merger)), they will be jointly entitled to nominate for election as directors up to three Group I Directors, the MD stockholders will be entitled to nominate for election as directors up to three Group II Directors and the SLP stockholders will be entitled to nominate for election as directors up to three Group III Directors. Following an initial public offering of DHI Group common stock, so long as each of the MD stockholders and the SLP stockholders beneficially own at least

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5% of all outstanding shares of Denali s stock entitled to vote generally in the election of directors, each of the MD stockholders and the SLP stockholders will be entitled to nominate at least one individual for election to the board, with each of the MD stockholders and the SLP stockholders having the right to nominate a number of directors equal to the percentage of the total voting power for the regular election of directors of Denali beneficially owned by the MD stockholders or by the SLP stockholders, as the case may be, multiplied by the number of directors then on the Denali board. See *Comparison of Rights of Denali Stockholders and EMC Shareholders Definitions* and *Certain Relationships and Related Transactions Denali Stockholders Agreement*.

The MD Stockholders, the MSD Partners stockholders and the SLP stockholders and their respective affiliates may have interests that conflict with your interests or those of the combined company.

In the ordinary course of their business activities, the MD stockholders, the MSD Partners stockholders and the SLP stockholders and their respective affiliates may engage in activities where their interests conflict with your interests or those of the combined company. The Denali certificate will provide that none of the MD stockholders, the MSD Partners stockholders and the SLP stockholders, any of their respective affiliates or any director who is not employed by Denali (including any non-employee director who serves as one of Denali s officers in both his director and officer capacities) or his or her affiliates will have any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which Denali operates. The MD stockholders, the MSD Partners stockholders and the SLP stockholders also may pursue acquisition opportunities that may be complementary to Denali s business and, as a result, those acquisition opportunities may not be available to Denali. In addition, such stockholders may have an interest in pursuing acquisitions, divestitures and other transactions that, in their judgment, could enhance the value of their investment in Denali, even though such transactions might involve risks to you.

Upon the listing of the shares of Class V Common Stock on the NYSE, Denali will be a controlled company within the meaning of NYSE rules and, as a result, will qualify for, and intends to rely on, exemptions from certain corporate governance requirements. Holders of Class V Common Stock will therefore not have the same protections afforded to stockholders of companies that are subject to such requirements.

Immediately following the completion of the merger, for any matter submitted to a vote of the holders of Denali common stock voting together as a single class, it is expected that the number of votes to which:

- holders of Class A Common Stock would be entitled will represent approximately 73% of the total number of votes to which all holders of Denali common stock would be entitled;

- holders of Class B Common Stock would be entitled will represent approximately 23% of the total number of votes to which all holders of Denali common stock would be entitled;

- holders of Class C Common Stock would be entitled will represent less than 1% of the total number of votes to which all holders of Denali common stock would be entitled; and

- holders of Class V Common Stock would be entitled will represent approximately 4% of the total number of votes to which all holders of Denali common stock would be entitled.

Accordingly, after the completion of the merger, the MD stockholders, the MSD Partners stockholders and the SLP stockholders will continue to control a majority of the combined voting power of all classes of Denali stock entitled to vote generally in the election of directors. As a result, Denali will be a controlled company within the meaning of NYSE rules. Under these rules, a company of which more than 50% of the voting power in the election of directors is held by an individual, group or another company is a controlled company and may elect not to comply with certain corporate governance requirements, including the requirements that, within one year of the date of the listing of the Class V Common Stock:

Denali have a board that is composed of a majority of independent directors, as defined under the rules of the NYSE;

Denali have a compensation committee that is composed entirely of independent directors; and

Denali have a corporate governance and nominating committee that is composed entirely of independent directors.

Following the closing of the merger, Denali intends to utilize these exemptions. As a result, Denali does not expect that a majority of the directors on the Denali board of directors will be independent following the completion of the merger. In addition, Denali does not expect that any of the committees of the Denali board of directors will consist entirely of independent directors, other than the audit committee within one year of the listing date and the Capital Stock Committee. Accordingly, holders of Class V Common Stock will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE.

As of the date of this proxy statement/prospectus, EMC is not a controlled company within the meaning of NYSE rules. Therefore, following the completion of the merger, EMC shareholders that become holders of Class V Common Stock will no longer be afforded the same corporate governance protections such shareholders currently are entitled to as EMC shareholders.

Denali is highly dependent on the services of Michael S. Dell, its Chief Executive Officer, and its success depends on the ability to attract, retain and motivate key employees.

Denali is highly dependent on the services of Michael S. Dell, its Chief Executive Officer and largest stockholder. If Denali loses the services of Mr. Dell, Denali may not be able to locate a suitable or qualified replacement and Denali may incur additional expenses to recruit a replacement, which could severely disrupt Denali s business and growth. Further, Denali relies on key personnel, including other members of its executive leadership team, to support its business and increasingly complex product and services offerings. Denali may not be able to attract, retain and motivate the key professional, technical, marketing and staff resources needed.

Denali s substantial level of indebtedness could adversely affect its financial condition.

As of January 29, 2016, Denali had approximately $14.0 billion in long-term debt principal outstanding, including current maturities. After the closing of the merger, Denali will have a substantial amount of indebtedness, which will require significant interest payments. After giving effect to the transactions contemplated by the merger agreement on a pro forma basis, including the incurrence of merger financing under Denali s debt financing commitments, Denali and its subsidiaries would have had approximately $54.2 billion of short-term and long-term indebtedness as of May 15, 2016 (or approximately $56.9 billion of short-term and long-term indebtedness as of May 15, 2016, assuming that the divestiture of Dell Services does not close substantially concurrently with or prior to the completion of the merger) and estimated cash interest for the twelve months ended May 15, 2016 would have been approximately $2.3 billion (or approximately $2.5 billion, assuming that the divestiture of Dell Services does not close substantially concurrently with or prior to the completion of the merger). Denali and its subsidiaries would also have had an additional $1.18 billion available for borrowing under its senior secured revolving credit facility on such date (without giving effect to letters of credit outstanding) and approximately an additional $0.9 billion available for borrowing under its existing asset backed securities facility, referred to as the ABS facility, on such date.

Denali s substantial level of indebtedness could have important consequences, including the following:

Denali must use a substantial portion of its cash flow from operations to pay interest and principal on its new senior credit facilities, senior secured notes and senior unsecured notes, referred to as the notes, and other indebtedness, which will reduce funds available to Denali for other purposes such as working capital, capital expenditures, other general corporate purposes and potential acquisitions;

Denali s ability to refinance such indebtedness or to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes may be impaired;

Denali will be exposed to fluctuations in interest rates because Denali s new senior credit facilities will have variable rates of interest;

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Denali s leverage may be greater than that of some of its competitors, which may put Denali at a competitive disadvantage and reduce Denali s flexibility in responding to current and changing industry and financial market conditions; and

Denali may be unable to comply with financial and other restrictive covenants in its new senior credit facilities, the notes and other indebtedness that will limit Denali s ability to incur additional debt, make investments and sell assets, which could result in an event of default that, if not cured or waived, would have an adverse effect on Denali s business and prospects and could force it into bankruptcy or liquidation.

Denali and its subsidiaries may be able to incur substantial additional indebtedness in the future, subject to the restrictions contained in Denali s and its subsidiaries credit facilities and the indentures governing the notes to be issued in connection with the transactions contemplated by the merger agreement. If new indebtedness is added to Denali s and its subsidiaries debt levels as of the closing of the merger, the related risks that Denali now faces could intensify. Denali s ability to access additional funding under Denali s new revolving credit facility and the existing ABS facility will depend upon, among other things, the absence of a default under either such facility, including any default arising from a failure to comply with the related covenants. If Denali is unable to comply with its covenants under its new revolving credit facility or the existing ABS facility, Denali s liquidity may be adversely affected.

As of May 15, 2016, after giving effect to the transactions contemplated by the merger agreement on a pro forma basis, including the incurrence of the merger financing under Denali s debt financing commitments, approximately $19.9 billion of Denali s debt would have been variable rate debt and the effect of a 0.5% increase or decrease in interest rates would have increased or decreased such total annual cash interest by approximately $93 million and $75 million, respectively. Denali s ability to meet expenses, to remain in compliance with its covenants under its debt instruments and to make future principal and interest payments in respect of its debt depends on, among other things, Denali s operating performance, competitive developments and financial market conditions, all of which are significantly affected by financial, business, economic and other factors. Denali is not able to control many of these factors. Given current industry and economic conditions, Denali s cash flow may not be sufficient to allow Denali to pay principal and interest on its debt and meet its other obligations.

Denali may not be able to achieve its objective of reducing its indebtedness in the first 18-24 months after the completion of the merger.

Denali has an objective of reducing its indebtedness in the first 18-24 months after completion of the merger and achieving an investment grade credit rating for such indebtedness. The cash necessary to achieve that objective is expected to come from divestitures of non-core businesses of the DHI Group, including EMC, cash flows from operations of the DHI Group and cash generated by reductions in the working capital needed to operate the DHI Group. Denali may not be able to generate the sale proceeds, operating cash flows and other cash necessary to accomplish this objective. Any failure of Denali to significantly reduce its indebtedness and achieve its objectives could result in a material reduction in the credit quality of Denali and adversely impact the value of the Class V Common Stock.

The Denali certificate designates a state court of the State of Delaware or the federal district court for the District of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by Denali s stockholders, which could limit the ability of the holders of Class V Common Stock to obtain a favorable judicial forum for disputes with Denali or with directors, officers or the controlling stockholders of Denali.

Under the Denali certificate, unless Denali consents in writing to the selection of an alternative forum, the sole and exclusive forum for (1) any derivative action or proceeding brought on behalf of Denali, (2) any action asserting a claim of breach of a fiduciary duty owed by any director or officer or stockholder of Denali to Denali or Denali s stockholders, (3) any action asserting a claim against Denali or any director or officer or stockholder of Denali arising pursuant to any provision of the DGCL or Denali s certificate or bylaws, or (4) any action asserting a claim against Denali or any director or officer or stockholder of Denali governed by the internal affairs doctrine, shall be a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware). These provisions of the Denali certificate could limit the ability of the holders of the Class V Common Stock to obtain a favorable judicial forum for disputes with Denali or with directors, officers or the controlling stockholders of Denali, which may discourage such lawsuits against Denali and its directors, officers and stockholders. Alternatively, if a court were to find these provisions of its constituent documents inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, Denali may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect its business, financial condition and results of operations.

The combined company is expected to incur substantial expenses related to the completion of the merger and the integration of Denali and EMC.

The combined company is expected to incur substantial expenses in connection with the completion of the merger and the integration of Denali and EMC. There is a large number of processes, policies, procedures, operations, technologies and systems that must be integrated, including purchasing, accounting and finance, sales, payroll, pricing, revenue management, marketing and benefits. In addition, the businesses of Denali and EMC will continue to maintain a presence in Texas and Massachusetts, respectively. The substantial majority of these costs will be non-recurring expenses related to the merger (including financing of the merger), facilities and systems consolidation costs. The combined company may incur additional costs to maintain employee morale and to retain key employees. Denali and EMC will also incur transaction fees and costs related to formulating integration plans for the combined business, and the execution of these plans may lead to additional unanticipated costs. Additionally, as a result of the merger, rating agencies may take negative actions with regard to the combined company s credit ratings, which may increase the combined company s costs in connection with the financing of the merger. These incremental transaction and merger-related costs may exceed the savings the combined company expects to achieve from the elimination of duplicative costs and the realization of other efficiencies related to the integration of the businesses, particularly in the near term and in the event there are material unanticipated costs. Denali cannot identify the timing, nature and amount of all such expenses as of the date of this proxy statement/prospectus. However, any such expenses could affect Denali s results of operations and cash flows from operations in the period in which such charges are recorded.

The combined company may not realize the anticipated synergies from the merger.

Although the combined company expects to achieve synergies as a result of the merger, including with respect to VMware, it may not succeed in doing so. The combined company s ability to realize the anticipated synergies will depend on the successful integration of EMC s business with that of Dell. Even if the combined company successfully integrates the Dell and EMC businesses, the integration may not result in the realization of the full benefits of the anticipated synergies or the realization of these benefits within the expected periods. For example, the elimination of duplicative costs may not be possible or may take longer than anticipated, benefits from the merger may be offset by costs incurred in integrating Dell and EMC, or regulatory authorities may impose adverse conditions on the combined company in connection with granting approval of the merger.

Failure to integrate EMC s technology, solutions, products and services with those of Dell in an effective manner could reduce Denali s profitability and delay or prevent realization of many of the potential benefits of the merger.

To obtain the benefits of the merger, Denali must integrate EMC s technology, solutions, products and services with those of Dell in an effective manner. Denali may not be able to accomplish this integration quickly and efficiently. Denali may be required to spend additional time and money on operating compatibility that

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otherwise would be spent on developing and selling solutions, products and services. Denali s business, financial condition and results of operations could be harmed if it does not integrate operations effectively or uses too many resources on integration efforts.

The time and effort required to be dedicated to the integration of Dell and EMC could divert the attention of Denali s management from other business concerns or otherwise harm Denali s business.

The integration process could result in the diversion of Denali management s attention from other business concerns, in the disruption or interruption of, or the loss of momentum in, Denali s business, or in inconsistencies in standards, controls, procedures and policies. Any of these impacts could adversely affect Denali s ability to maintain relationships with its customers and employees or achieve the anticipated benefits of the merger, or could reduce Denali s earnings or otherwise adversely affect its business and financial results.

Denali may be unable to use some or all of EMC s net operating losses following the merger.

Based on current tax law, as of December 31, 2015, EMC had gross federal, state and foreign net operating losses, referred to as NOLs, of approximately $250 million, $250 million and $224 million, respectively. Until such NOLs expire, they can be used to reduce taxable income in future years. After the merger, Denali s ability to use these tax attributes to offset future taxable income will be subject to significant limitations under Sections 382 and 383 and other provisions of the Internal Revenue Code. For this reason, Denali may be unable to use EMC s NOLs after the merger in the amounts it projects or at all.

After the completion of the merger, former shareholders of EMC, a Massachusetts corporation, will be stockholders of Denali, a Delaware corporation.

The rights of holders of Class V Common Stock will be governed by Delaware corporate law and by the Denali certificate and Denali bylaws, as opposed to Massachusetts corporate law and the EMC articles and EMC bylaws. Consequently, the rights of such Denali stockholders following the merger may vary in some respects from their rights as EMC shareholders prior to the merger.

Risk Factors Relating to Denali, Dell and EMC

Risk Factors Relating to Denali and Dell

Competitive pressures may adversely affect Dell s industry unit share position, revenue and profitability.

Dell operates in an industry in which there are rapid technological advances in hardware, software and service offerings. As a result, Dell faces aggressive product and price competition from both branded and generic competitors. Dell competes based on its ability to offer to its customers competitive integrated solutions that provide the most current and desired product and services features. There is a risk that Dell s competitors may provide products that are less costly, perform better or include additional features that are not available with Dell s products. There also is a risk that Dell s product portfolios may quickly become outdated or that Dell s market share may quickly erode. Further, efforts to balance the mix of products and services in order to optimize profitability, liquidity and growth may put pressure on Dell s industry position.

As the technology industry continues to expand globally, there may be new and increased competition in different geographic regions. The generally low barriers to entry in the technology industry increase the potential for challenges from new industry competitors. There also may be increased competition from new types of products as the options for mobile and cloud computing solutions increase. In addition, companies with which Dell has strategic alliances may become competitors in other product areas or current competitors may enter into new strategic relationships with new or existing competitors, all of which may further increase the competitive pressures on Dell.

Reliance on vendors for products and components, many of whom are single-source or limited-source suppliers, could harm Dell s business by adversely affecting product availability, delivery, reliability and cost.

Dell maintains several single-source or limited-source supplier relationships, including relationships with third-party software providers, either because multiple sources are not readily available or because the relationships are advantageous due to performance, quality, support, delivery, capacity or price considerations. A delay in the supply of a critical single- or limited-source product or component may prevent the timely shipment of the related product in desired quantities or configurations. In addition, Dell may not be able to replace the functionality provided by third-party software currently offered with its products if that software becomes obsolete, defective or incompatible with future product versions or is not adequately maintained or updated. Even where multiple sources of supply are available, qualification of the alternative suppliers and establishment of reliable supplies could result in delays and a possible loss of sales, which could harm Dell s operating results.

Dell obtains many of its products and all of its components from third-party vendors, many of which are located outside of the United States. In addition, significant portions of Dell s products are assembled by contract manufacturers, primarily in various locations in Asia. A significant concentration of such outsourced manufacturing is currently performed by only a few of Dell s contract manufacturers, often in single locations. Dell sells components to these contract manufacturers and generates large non-trade accounts receivables, an arrangement that would present a risk of uncollectibility if the financial condition of a contract manufacturer should deteriorate.

Although these relationships generate cost efficiencies, they limit Dell s direct control over production. The increasing reliance on vendors subjects Dell to a greater risk of shortages and reduced control over delivery schedules of components and products, as well as a greater risk of increases in product and component costs. Because Dell maintains minimal levels of component and product inventories, a disruption in component or product availability could harm Dell s ability to satisfy customer needs. In addition, defective parts and products from these vendors could reduce product reliability and harm Dell s reputation.

If Dell fails to achieve favorable pricing from vendors, its profitability could be adversely affected.

Dell s profitability is affected by its ability to achieve favorable pricing from vendors and contract manufacturers, including through negotiations for vendor rebates, marketing funds and other vendor funding received in the normal course of business. Because these supplier negotiations are continuous and reflect the evolving competitive environment, the variability in timing and amount of incremental vendor discounts and rebates can affect Dell s profitability. The vendor programs may change periodically, potentially resulting in adverse profitability trends if Dell cannot adjust pricing or variable costs. An inability to establish a cost and product advantage, or determine alternative means to deliver value to customers, may adversely affect Dell s revenue and profitability.

Adverse global economic conditions and instability in financial markets may harm Dell s business and result in reduced net revenue and profitability.

As a global company with customers operating in a broad range of businesses and industries, Dell s performance is affected by global economic conditions. Adverse economic conditions may negatively affect customer demand for Dell s products and services. Such economic conditions could result in postponed or decreased spending amid customer concerns over unemployment, reduced asset values, volatile energy costs, geopolitical issues, the availability and cost of credit and the stability and solvency of financial institutions, financial markets, businesses, local and state governments and sovereign nations. Weak global economic conditions also could harm Dell s business by contributing to product shortages or delays, insolvency of key suppliers, customer and counterparty insolvencies and increased challenges in managing Dell s treasury operations. Any such effects could have a negative impact on Dell s net revenue and profitability.

Dell s results of operations may be adversely affected if it fails to successfully execute its growth strategy.

Dell s growth strategy involves reaching more customers through new distribution channels, expanding relationships with resellers and augmenting select business areas through targeted acquisitions and other commercial arrangements. As more customers are reached through new distribution channels and expanded reseller relationships, Dell may fail to manage effectively the increasingly difficult tasks of inventory management and demand forecasting. The ability to implement this growth strategy depends on a successful transitioning of sales capabilities, the successful addition to the breadth of Dell s solutions capabilities through selective acquisitions of other businesses and the effective management of the consequences of these strategic initiatives. If Dell is unable to meet these challenges, its results of operations could be adversely affected.

Dell faces risks and challenges in connection with its transformation to a scalable end-to-end technology solutions provider and its business strategy.

Dell expects its strategic transformation to a scalable end-to-end technology solutions provider to take more time and investment, and the investments it must make are likely to result in lower gross margins and raise its operating expenses and capital expenditures.

For fiscal 2016, Dell s Client Solutions business generated 65% of Dell s net revenue, and largely relied on PC sales. Moreover, revenue from Client Solutions absorbs Dell s significant overhead costs and allows for scaled procurement. As a result, Client Solutions remains an important component in Dell s broad transformation strategy. While Dell continues to rely on Client Solutions as a critical element of its business, Dell also anticipates an increasingly challenging demand environment in Client Solutions and intensifying market competition. Current challenges in Client Solutions stem from fundamental changes in the PC market, including a decline in worldwide revenues for desktop and laptop PCs and lower shipment forecasts for PC products due to a general lengthening of the replacement cycle for PC products and increasing interest in alternative mobile solutions. PC shipments worldwide declined 10.6% during calendar year 2015, and further deterioration in the PC market may occur. Other challenges include declining margins as demand for PC products shifts from higher-margin premium products to lower-cost and lower-margin products, particularly in emerging markets, and significant and increasing competition from efficient and low-cost manufacturers and from manufacturers of innovative and higher-margin PC products. For example, the built-to-order model that Dell has historically used is losing competitiveness in an environment where profit pools are moving toward lower-margin segments primarily based on a build-to-stock model, and Dell also lacks a strong offering in tablets.

The challenges Dell faces in its transformation include low operating margin for the Enterprise Solutions Group, referred to as ESG, and, although Client Solutions drives pull-through revenue and cross-selling of ESG solutions, the potential for further margin erosion remains due to intense competition, including emerging competitive pressure from cloud services. Improving integration of Dell s product and service offerings as well as its ability to cross-sell remain a work in progress, as Dell is in the early stages of integrating its products into solutions and thus far has limited overlap in the base of large customers for the Client Solutions business and the ESG and Dell services businesses. In addition, returns from Dell s prior acquisitions have been mixed and will require additional investments to reposition the business for growth, while cross-selling synergies have not been achieved as anticipated. As a result of the foregoing challenges, Dell s business, financial condition and results of operations may be adversely affected.

Dell may not successfully implement its acquisition strategy, which could result in unforeseen operating difficulties and increased costs.

Dell makes strategic acquisitions of other companies as part of its growth strategy. Dell could experience unforeseen operating difficulties in assimilating or integrating the businesses, technologies, services, products, personnel or operations of acquired companies, especially if Dell is unable to retain the key personnel of an

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acquired company. Further, future acquisitions may result in a delay or reduction of client sales for both Dell and the acquired company because of client uncertainty about the continuity and effectiveness of solutions offered by either company and may disrupt Dell s existing business by diverting resources and significant management attention that otherwise would be focused on development of the existing business. Acquisitions may also negatively affect Dell s relationships with strategic partners if the acquisitions are seen as bringing Dell into competition with such partners.

To complete an acquisition, Dell may be required to use substantial amounts of cash, engage in equity or debt financings or enter into credit agreements to secure additional funds. Such debt financings could involve restrictive covenants that could limit Dell s capital-raising activities and operating flexibility. In addition, an acquisition may negatively affect Dell s results of operations because it may expose Dell to unexpected liabilities, require the incurrence of charges and substantial indebtedness or other liabilities, have adverse tax consequences, result in acquired in-process research and development expenses, or in the future require the amortization, write-down or impairment of amounts related to deferred compensation, goodwill and other intangible assets, or fail to generate a financial return sufficient to offset acquisition costs.

If its cost efficiency measures are not successful, Dell may become less competitive.

Dell continues to focus on minimizing operating expenses through cost improvements and simplification of Dell s structure. Certain factors may prevent the achievement of these goals, which may negatively affect Dell s competitive position. For example, Dell may experience delays or unanticipated costs in implementing its cost efficiency plans, which could prevent the timely or full achievement of expected cost efficiencies.

Dell s inability to manage solutions and product and services transitions in an effective manner could reduce the demand for Dell s solutions, products and services and the profitability of Dell s operations.

Continuing improvements in technology result in the frequent introduction of new solutions, products and services, improvements in product performance characteristics and short product life cycles. If Dell fails to effectively manage transitions to new solutions and offerings, the products and services associated with such offerings and customer demand for Dell s solutions, products and services could diminish and Dell s profitability could suffer.

Dell is increasingly sourcing new products and transitioning existing products through its contract manufacturers and manufacturing outsourcing relationships in order to generate cost efficiencies and better serve its customers. The success of product transitions depends on a number of factors, including the availability of sufficient quantities of components at attractive costs. Product transitions also present execution challenges and risks, including the risk that new or upgraded products may have quality issues or other defects.

Failure to deliver high-quality products and services could lead to loss of customers and diminished profitability.

Dell must identify and address quality issues associated with its products and services, many of which include third-party components. Although quality testing is performed regularly to detect quality problems and implement required solutions, failure to identify and correct significant product quality issues before the sale of such products to customers could result in lower sales, increased warranty or replacement expenses and reduced customer confidence, which could harm Dell s operating results.

Dell s ability to generate substantial non-U.S. net revenue is subject to additional risks and uncertainties.

Sales outside the United States accounted for approximately 50% of Dell s consolidated net revenue for Fiscal 2016. Dell s future growth rates and success are substantially dependent on the continued growth of Dell s business outside the United States. Dell s international operations face many risks and uncertainties, including varied local economic and labor conditions, political instability, changes in the U.S. and international regulatory environments, and the impacts of trade protection measures, tax laws (including U.S. taxes on foreign operations), copyright levies and foreign currency exchange rates. Any of these factors could negatively affect Dell s international business results and prospects for growth.

Dell s profitability may be adversely affected by product, customer and geographic sales mix and seasonal sales trends.

Dell s overall profitability for any period may be adversely affected by changes in the mix of products, customers and geographic markets reflected in sales for that period and by seasonal trends. Profit margins vary among products, services, customers and geographic markets. For instance, services offerings generally have a higher profit margin than consumer products. In addition, parts of Dell s business are subject to seasonal sales trends. Among the trends with the most significant impact on Dell s operating results, sales to government customers (particularly the U.S. federal government) are typically stronger in Dell s third fiscal quarter, sales in Europe, the Middle East and Africa are often weaker in Dell s third fiscal quarter, and consumer sales are typically strongest during Dell s fourth fiscal quarter.

Dell may lose revenue opportunities and experience gross margin pressure if sales channel participants fail to perform as expected.

Dell relies on third-party distributors, retailers, systems integrators, value-added resellers and other sales channels to complement its direct sales organization in order to reach more end-users globally. Future operating results increasingly will depend on the performance of sales channel participants and on Dell s success in maintaining and developing these relationships. Revenue and gross margins could be negatively affected if the financial condition or operations of channel participants weaken as a result of adverse economic conditions or other business challenges, or if uncertainty regarding the demand for Dell s products causes channel participants to reduce their orders for Dell s products. Further, some channel participants may consider the expansion of Dell s direct sales initiatives to conflict with their business interests as distributors or resellers of Dell s products, which could lead them to reduce their investment in the distribution and sale of Dell s products, or to cease all sales of Dell s products.

Dell s financial performance could suffer from reduced access to the capital markets by Dell or some of its customers.

Dell may access debt and capital sources to provide financing for customers and to obtain funds for general corporate purposes, including working capital, acquisitions, capital expenditures and funding of customer receivables. In addition, Dell maintains customer financing relationships with some companies that rely on access to the debt and capital markets to meet significant funding needs. Any inability of these companies to access such markets could compel Dell to self-fund transactions with such companies or to forgo customer financing opportunities, which could harm Dell s financial performance. The debt and capital markets may experience extreme volatility and disruption from time to time in the future, which could result in higher credit spreads in such markets and higher funding costs for Dell. Deterioration in Dell s business performance, a credit rating downgrade, volatility in the securitization markets, changes in financial services regulation or adverse changes in the economy could lead to reductions in the availability of debt financing. In addition, these events could limit Dell s ability to continue asset securitizations or other forms of financing from debt or capital sources, reduce the amount of financing receivables that Dell originates or negatively affect the costs or terms on which Dell may be able to obtain capital. Any of these developments could adversely affect Dell s net revenue, profitability and cash flows.

Weak economic conditions and additional regulation could harm Dell s financial services activities.

Dell s financial services activities are negatively affected by adverse economic conditions that contribute to loan delinquencies and defaults. An increase in loan delinquencies and defaults would result in greater net credit losses, which may require Dell to increase its reserves for customer receivables. In addition, the implementation of new financial services regulation, or the application of existing financial services regulation in new countries where Dell expands its financial services and related supporting activities, could unfavorably impact the profitability and cash flows of Dell s consumer financing activities.

Dell is subject to counterparty default risks.

Dell has numerous arrangements with financial institutions that include cash and investment deposits, interest rate swap contracts, foreign currency option contracts and forward contracts. As a result, Dell is subject to the risk that the counterparty to one or more of these arrangements will default, either voluntarily or involuntarily, on its performance under the terms of the arrangement. In times of market distress, a counterparty may default rapidly and without notice, and Dell may be unable to take action to cover its exposure, either because of lack of contractual ability to do so or because market conditions make it difficult to take effective action. If one of Dell s counterparties becomes insolvent or files for bankruptcy, Dell s ability eventually to recover any losses suffered as a result of that counterparty s default may be limited by the liquidity of the counterparty or the applicable legal regime governing the bankruptcy proceeding. In the event of such default, Dell could incur significant losses, which could harm Dell s business and adversely affect its results of operations and financial condition.

The exercise by customers of certain rights under their services contracts with Dell, or Dell s failure to perform as it anticipates at the time it enters into services contracts, could adversely affect Dell s revenue and profitability.

Many of Dell s services contracts allow customers to take actions that may adversely affect Dell s revenue and profitability. These actions include terminating a contract if Dell s performance does not meet specified service levels, requesting rate reductions or contract termination, reducing the use of Dell s services or terminating a contract early upon payment of agreed fees. In addition, Dell estimates the costs of delivering the services at the outset of the contract. If Dell fails to estimate such costs accurately and actual costs significantly exceed estimates, Dell may incur losses on the services contracts.

Loss of government contracts could harm Dell s business.

Contracts with the U.S. federal, state and local governments and foreign governments are subject to future funding that may affect the extension or termination of programs and to the right of such governments to terminate contracts for convenience or non-appropriation. There is pressure on governments, both domestically and internationally, to reduce spending. Funding reductions or delays could adversely affect public sector demand for Dell s products and services. In addition, if Dell violates legal or regulatory requirements, the applicable government could suspend or disbar Dell as a contractor, which would unfavorably affect Dell s net revenue and profitability.

Dell s business could suffer if Dell does not develop and protect its proprietary intellectual property or obtain or protect licenses to intellectual property developed by others on commercially reasonable and competitive terms.

If Dell or Dell s suppliers are unable to develop or protect desirable technology or technology licenses, Dell may be prevented from marketing products, may have to market products without desirable features or may incur substantial costs to redesign products. Dell also may have to defend or enforce legal actions or pay damages if Dell is found to have violated the intellectual property of other parties. Although Dell s suppliers might be

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contractually obligated to obtain or protect such licenses and indemnify Dell against related expenses, those suppliers could be unable to meet their obligations. Although Dell invests in research and development and obtains additional intellectual property through acquisitions, those activities do not guarantee that Dell will develop or obtain intellectual property necessary for profitable operations. Costs involved in developing and protecting rights in intellectual property may have a negative impact on Dell s business. In addition, Dell s operating costs could increase because of copyright levies or similar fees by rights holders and collection agencies in European and other countries.

Infrastructure disruptions could harm Dell s business.

Dell depends on its information technology and manufacturing infrastructure to achieve its business objectives. Natural disasters, manufacturing failures, telecommunications system failures or defective or improperly installed new or upgraded business management systems could lead to disruptions in this infrastructure. Portions of Dell s IT infrastructure also may experience interruptions, delays or cessations of service or produce errors in connection with systems integration or migration work. Such disruptions may prevent Dell s ability to receive or process orders, manufacture and ship products in a timely manner or otherwise conduct business in the normal course. Further, portions of Dell s services business involve the processing, storage and transmission of data, which would also be negatively affected by such an event. Disruptions in Dell s infrastructure could lead to loss of customers and revenue, particularly during a period of heavy demand for Dell s products and services. Dell also could incur significant expense in repairing system damage and taking other remedial measures.

Cyber attacks or other data security breaches that disrupt Dell s operations or result in the dissemination of proprietary or confidential information about Dell, Dell s customers or other third parties could disrupt Dell s business, harm its reputation, cause Dell to lose clients and expose Dell to costly litigation.

Dell manages and stores various proprietary information and sensitive or confidential data relating to its operations. In addition, Dell s outsourcing services and cloud computing businesses routinely process, store and transmit large amounts of data for Dell s customers, including sensitive and personally identifiable information. Dell may be subject to breaches of the information technology systems it uses for these purposes. Experienced computer programmers and hackers may be able to penetrate Dell s network security and misappropriate or compromise Dell s confidential information or that of third parties, create system disruptions or cause shutdowns. Further, sophisticated hardware and operating system software and applications that Dell produces or procures from third parties may contain defects in design or manufacture, including bugs and other problems that could unexpectedly interfere with the operation of such systems.

The costs to eliminate or address the foregoing security problems and security vulnerabilities before or after a cyber incident could be significant. Remediation efforts may not be successful and could result in interruptions, delays or cessation of service and loss of existing or potential customers that may impede Dell s sales, manufacturing, distribution or other critical functions. Dell could lose existing or potential customers for outsourcing services or other information technology solutions in connection with any actual or perceived security vulnerabilities in Dell s products. In addition, breaches of Dell s security measures and the unapproved dissemination of proprietary information or sensitive or confidential data about Dell or its customers or other third parties could expose Dell, its customers or other third parties affected to a risk of loss or misuse of this information, result in litigation and potential liability for Dell, damage Dell s brand and reputation or otherwise harm Dell s business. Further, Dell relies in certain limited capacities on third-party data management providers whose possible security problems and security vulnerabilities may have similar effects on Dell.

Dell is subject to laws, rules and regulations in the United States and other countries relating to the collection, use and security of user data. Dell s ability to execute transactions and to possess and use personal information and data in conducting its business subjects it to legislative and regulatory burdens that may require

Dell to notify customers or employees of a data security breach. Dell has incurred, and will continue to incur, significant expenses to comply with mandatory privacy and security standards and protocols imposed by law, regulation, industry standards or contractual obligations.

Failure to hedge effectively Dell s exposure to fluctuations in foreign currency exchange rates and interest rates could adversely affect Dell s financial condition and results of operations.

Dell utilizes derivative instruments to hedge its exposure to fluctuations in foreign currency exchange rates and interest rates. Some of these instruments and contracts may involve elements of market and credit risk in excess of the amounts recognized in Dell s financial statements. If Dell is not successful in monitoring its foreign exchange exposures and conducting an effective hedging program, Dell s foreign currency hedging activities may not offset the impact of fluctuations in currency exchange rates on its future results of operations and financial position.

The expiration of tax holidays or favorable tax rate structures, unfavorable outcomes in tax audits and other tax compliance matters, or adverse legislative or regulatory tax changes could result in an increase in Dell s tax expense or Dell s effective income tax rate.

Portions of Dell s operations are subject to a reduced tax rate or are free of tax under various tax holidays that expire in whole or in part from time to time. Many of these holidays may be extended when certain conditions are met, or may be terminated if certain conditions are not met. If the tax holidays are not extended, or if Dell fails to satisfy the conditions of the reduced tax rate, then its effective tax rate would increase in the future. Dell s effective tax rate also could increase if Dell s geographic sales mix changes. In addition, any actions by Dell to repatriate non-U.S. earnings for which it has not previously provided for U.S. taxes may impact the effective tax rate.

The application of tax laws to Dell s operations and past transactions involves some inherent uncertainty. Dell is continually under audit in various tax jurisdictions. Although Dell believes its tax positions are appropriate, Dell may not be successful in resolving potential tax claims that arise from these audits. An unfavorable outcome in certain of these matters could result in a substantial increase in Dell s tax expense. In addition, Dell s provision for income taxes could be affected by changes in the valuation of deferred tax assets.

Further, changes in tax laws (including laws relating to U.S. taxes on foreign operations) could adversely affect Dell s operations and profitability. In recent years, numerous legislative, judicial and administrative changes have been made to tax laws applicable to Dell and companies similar to Dell. Additional changes to tax laws are likely to occur, and such changes may adversely affect Dell s tax liability.

Dell s profitability could suffer from any impairment of its portfolio investments.

Dell invests a significant portion of its available funds in a portfolio consisting primarily of debt securities of various types and maturities pending the deployment of these funds in Dell s business. Dell s earnings performance could suffer from any impairment of its investments. Dell s portfolio securities generally are classified as available-for-sale and are recorded in Dell s financial statements at fair value. If any such investments experience declines in market price and it is determined that such declines are other than temporary, Dell may have to recognize in earnings the decline in the fair market value of such investments below their cost or carrying value.

Unfavorable results of legal proceedings could harm Dell s business and result in substantial costs.

Dell is involved in various claims, suits, investigations and legal proceedings that arise from time to time in the ordinary course of business, as well as in connection with its going-private transaction and the merger, including those described elsewhere in this proxy statement/prospectus. Additional legal claims or regulatory matters may arise in the future and could involve stockholder, consumer, regulatory, compliance, intellectual property, antitrust, tax and other issues on a global basis. Litigation is inherently unpredictable. Regardless of the merits of the claims, litigation may be both time-consuming and disruptive to Dell s business. Dell could incur judgments or enter into settlements of claims that could adversely affect its operating results or cash flows in a particular period. In addition, Dell s business, operating results and financial condition could be adversely affected if any infringement or other intellectual property claim made against it by any third party is successful, or if Dell fails to develop non-infringing technology or license the proprietary rights on commercially reasonable terms and conditions.

Denali will incur increased costs and become subject to additional regulations and requirements as a result of becoming a newly public company, and Denali s management will be required to devote substantial time to new compliance matters, which could lower Denali s profits or make it more difficult to run its business.

As a newly public company, Denali will incur significant legal, accounting and other expenses that it has not incurred as a private company, including costs associated with public company reporting requirements and costs of recruiting and retaining non-executive directors. Denali will also incur costs associated with the Sarbanes-Oxley Act of 2002 and related rules implemented by the SEC and the NYSE. The expenses incurred by public companies generally for reporting and corporate governance purposes have been increasing. Denali expects these rules and regulations to increase its legal and financial compliance costs and to make some activities more time-consuming and costly, although it is currently unable to estimate these costs with any degree of certainty. Denali s management will need to devote a substantial amount of time to ensure that it complies with all of these requirements. These laws and regulations also could make it more difficult or costly for Denali to obtain certain types of insurance, including director and officer liability insurance, and Denali may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. These laws and regulations could also make it more difficult for Denali to attract and retain qualified persons to serve on its board of directors, its board committees or as its executive officers. Furthermore, if Denali is unable to satisfy its obligations as a public company, the Class V Common Stock could be subject to delisting and Denali could be subject to fines, sanctions and other regulatory action and potentially civil litigation.

As a public company, Denali will be obligated to develop and maintain proper and effective internal control over financial reporting and any failure to do so may adversely affect investor confidence in Denali and, as a result, the value of the Class V Common Stock.

Following a transition period afforded to companies that were not previously SEC reporting companies, Denali will be required by Section 404 of the Sarbanes-Oxley Act of 2002 to furnish a report by management on, among other things, its assessment of the effectiveness of its internal control over financial reporting. The assessment will need to include disclosure of any material weaknesses identified by Denali s management in Denali s internal control over financial reporting. Denali also will be required to disclose significant changes made in its internal control procedures on a quarterly basis. In addition, Denali s independent registered public accounting firm is required to express an opinion as to the effectiveness of Denali s internal control over financial reporting beginning with the second annual report on Form 10-K. The process of designing, implementing and testing internal controls over financial reporting is time consuming, costly and complicated.

During the evaluation and testing process of its internal controls, if Denali identifies one or more material weaknesses in its internal control over financial reporting, Denali will be unable to assert that its internal control over financial reporting is effective. Denali may experience material weaknesses or significant deficiencies in its internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit Denali s ability to report accurately its financial condition or results of operations. If Denali is unable to conclude that its internal control over financial reporting is effective, or if Denali s independent registered public accounting firm determines Denali has a material weakness or significant deficiency in its internal control over financial reporting, Investors could lose confidence in the accuracy and completeness of its financial reports, the market price of the Class V Common Stock could decline, and Denali could be subject to sanctions or investigations by the SEC or other regulatory authorities. Failure to remedy any material weakness in its internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, also could restrict Denali s future access to the capital markets.

Compliance requirements of current or future environmental and safety laws, or other regulatory laws, may increase costs, expose Denali and Dell to potential liability and otherwise harm Dell s business.

Dell s operations are subject to environmental and safety regulations in all areas in which Dell conducts business. Product design and procurement operations must comply with new and future requirements relating to climate change laws and regulations, materials composition, sourcing, energy efficiency and collection, recycling, treatment, transportation and disposal of electronics products, including restrictions on mercury, lead, cadmium, lithium metal, lithium ion and other substances. If Dell fails to comply with applicable rules and regulations regarding the transportation, source, use and sale of such regulated substances, Dell could be subject to liability. The costs and timing of costs under environmental and safety laws are difficult to predict, but could have an adverse impact on Dell s business.

In addition, Denali and its subsidiaries are subject to various anti-corruption laws that prohibit improper payments or offers of payments to foreign governments and their officials for the purpose of obtaining or retaining business and are also subject to export controls, customs and economic sanctions laws and embargoes imposed by the U.S. Government. Violations of the Foreign Corrupt Practices Act or other anti-corruption laws or export control, customs or economic sanctions laws may result in severe criminal or civil sanctions and penalties, and Denali and its subsidiaries may be subject to other liabilities which could have a material adverse effect on Denali s business, results of operations and financial condition.

In addition, Denali will be subject to provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act intended to improve transparency and accountability concerning the supply of minerals originating from the conflict zones of the Democratic Republic of Congo or adjoining countries. Denali will incur costs to comply with the disclosure requirements of this law and may realize other costs relating to the sourcing and availability of minerals used in Dell s products. Further, Denali may face reputational harm if Denali s customers or other Denali stakeholders conclude that Denali is unable to sufficiently verify the origins of the minerals used in Dell s products.

Armed hostilities, terrorism, natural disasters or public health issues could harm Dell s business.

Armed hostilities, terrorism, natural disasters or public health issues, whether in the U.S. or abroad, could cause damage or disruption to Dell or Dell s suppliers and customers, or could create political or economic instability, any of which could harm Dell s business. For example, the earthquake and tsunami in Japan and severe flooding in Thailand which occurred during fiscal 2012 caused damage to infrastructure and factories that disrupted the supply chain for a variety of components used in Dell s products. Any such future events could cause a decrease in demand for Dell s products, make it difficult or impossible to deliver products or for suppliers to deliver components and could create delays and inefficiencies in Dell s supply chain.

Risk Factors Relating to EMC

Denali s and EMC s businesses are and, when combined, will be subject to the risks described above. EMC is, and following the completion of the merger Denali will be, subject to the risks described in EMC s Annual Report on Form 10-K for the fiscal year ended December 31, 2015, as updated from time to time in EMC s subsequent filings with the SEC, including those incorporated by reference in this proxy statement/prospectus. See *Where You Can Find More*

Information for information on how to obtain copies of the incorporated documents or view them via the Internet.

Risk Factors Relating to Denali s Proposed Tracking Stock Structure

Holders of Class V Common Stock will be common stockholders of Denali and will be, therefore, subject to risks associated with an investment in Denali as a whole.

Even though Denali will attribute, for financial reporting purposes, all of Denali s consolidated assets, liabilities, revenue and expenses to either the DHI Group or the Class V Group in order to prepare the unaudited financial information for the Class V Group, Denali will retain legal title to all of Denali s assets, and Denali s tracking stock capitalization will not limit Denali s legal responsibility, or that of Denali s subsidiaries, for their debts and liabilities. While Denali s proposed Denali Tracking Stock Policy provides that reallocations of assets between groups may result in the creation of inter-group debt or an increase or decrease of the DHI Group s inter-group interest in the Class V Group or in an offsetting reallocation of cash or other assets, Denali s creditors will not be limited by Denali s tracking stock capitalization from proceeding against any assets against which they could have proceeded if Denali did not have a tracking stock capitalization. The DHI Group and the Class V Group are not separate legal entities and cannot own assets, and as a result, holders of Class V Common Stock will not have special legal rights related to specific assets attributed to the Class V Group and, in any liquidation, holders of DHI Group common stock and holders of Class V Common Stock will be entitled to their proportionate interests in assets of Denali after payment or provision for payment of the debts and liabilities of Denali and payment or provision for payment of any preferential amount due to the holders of any other class or series of stock based on their respective numbers of liquidation units. See *Description of Denali Capital Stock Following the Merger Liquidation and Dissolution.*

The Denali board of directors may not reallocate assets and liabilities between the DHI Group and the Class V Group without the approval of the Capital Stock Committee, which will consist of a majority of independent directors, but any such reallocation of assets and liabilities may make it difficult to assess the future prospects of either group based on its past performance.

The Denali board of directors may not allocate or reallocate assets and liabilities to one group or the other without the approval of the Capital Stock Committee, which will consist of a majority of independent directors. However, any such allocation or reallocation may be made without the approval of any of Denali s stockholders in accordance with the Denali Tracking Stock Policy and the Denali certificate. See *Description of Denali Tracking Stock Policy.* Any such reallocation made by the Denali board of directors, as well as the existence of the right in and of itself to effect a reallocation, may impact the ability of investors to assess the future prospects of either group, including its liquidity and capital resource needs, based on its past performance. Stockholders may also have difficulty evaluating the liquidity and capital resources of each group based on past performance, as the Denali board of directors may use one group s liquidity to fund the other group s liquidity and capital expenditure requirements through the use of inter-group loans or other inter-group arrangements.

Any allocation or reallocation of assets and liabilities to one group or the other that results in the Class V Common Stock ceasing to track the performance of VMware Class A common stock could result in the delisting of the Class V Common Stock as discussed below, which would materially adversely affect the liquidity and value of the Class V Common Stock.

The NYSE has proposed new listing standards for a tracking stock, such as the Class V Common Stock, which tracks the performance of an investment by the issuer in the common equity of another company listed on the NYSE, such as VMware.

The NYSE has proposed new listing standards for a tracking stock, which the NYSE refers to as an Equity Investment Tracking Stock, that tracks the performance of an investment by the issuer in the common equity of another company listed on the NYSE, such as VMware. The NYSE listing standards as so proposed would allow for the listing of the Class V Common Stock. No assurances can be given that such listing standards will be adopted in their proposed form. If the shares of Class V Common Stock issuable to EMC shareholders have not been approved for listing on the NYSE, subject to official notice of issuance, a condition to EMC s obligation to complete the merger will not have been satisfied.

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The new listing standards proposed by the NYSE include certain requirements to maintain the listing of an Equity Investment Tracking Stock. If the Class V Common Stock were delisted because of the failure to meet any of such requirements, the liquidity and value of the Class V Common Stock would be materially adversely affected.

If adopted in the form currently proposed, the new listing standards published by the NYSE would provide that the Class V Common Stock could be delisted from the NYSE if:

- the Class A common stock of VMware ceases to be listed on the NYSE;

- Denali ceases to own, directly or indirectly, at least 50% of either the economic interest or the voting power of all of the outstanding classes of common equity of VMware; or

- the Class V Common Stock ceases to track the performance of the Class A common stock of VMware.

If any of the foregoing conditions were no longer met at any time, the NYSE would determine whether the Class V Common Stock could meet any other applicable initial listing standard in place at that time. If the Class V Common Stock did not qualify for initial listing at that time under another applicable listing standard, the NYSE would commence delisting proceedings. Furthermore, if trading in the Class A common stock of VMware were suspended or delisting proceedings were commenced with respect to such security, trading in the Class V Common Stock would be suspended or delisting proceedings would be commenced with respect to the Class V Common Stock at the same time. Any delisting of the Class V Common Stock would materially adversely affect the liquidity and value of the Class V Common Stock.

The market price of Class V Common Stock may not reflect the performance of the Class V Group as Denali intends.

Denali cannot make any assurance that the market price of the Class V Common Stock will, in fact, reflect the performance of Denali s interest in VMware and any other businesses, assets and liabilities that may be attributed to the Class V Group at any time. Holders of Class V Common Stock will be common stockholders of Denali as a whole and, as such, will be subject to all risks associated with an investment in Denali and all of Denali s businesses, assets and liabilities, including the approximately $54.2 billion of short-term and long-term indebtedness (or $56.9 billion of short-term and long-term indebtedness, assuming that the divestiture of Dell Services does not close substantially concurrently with or prior to the completion of the merger) that Denali is expected to have outstanding immediately following the merger. In addition, investors may discount the value of the Class V Common Stock because it is part of a common enterprise rather than of a stand-alone entity. As a result of the characteristics of tracking stocks, tracking stocks often trade at a discount to the estimated value of the assets or businesses they are intended to track.

The market price of Class V Common Stock may be volatile, could fluctuate substantially and could be affected by factors that do not affect traditional common stock.

Market reaction to the establishment of tracking stocks is unpredictable and Denali does not know how the market will react to the merger. In addition, given that the Class V Common Stock is intended to track the performance of a more focused group of businesses, assets and liabilities than EMC common stock does, the market price of Class V Common Stock may be more volatile than the market price of EMC common stock has historically been. The market price of Class V Common Stock may be materially affected by, among other things:

- actual or anticipated fluctuations in VMware s operating results or in the operating results of any other businesses attributable to the Class V Group from time to time;
- potential acquisition activity by Denali or the companies in which Denali invests;
- adverse changes in the credit rating or credit quality of Denali and its subsidiaries;
- issuances of additional debt or equity securities to raise capital by Denali or the companies in which Denali invests and the manner in which that debt or the proceeds of an equity issuance are attributed to each of the groups;

changes in financial estimates by securities analysts regarding Class V Common Stock or the companies attributable to either of Denali s groups;

changes in market valuations of other companies engaged in similar lines of business;

the complex nature and the potential difficulties investors may have in understanding the terms of the Class V Common Stock, as well as concerns regarding the possible effect of certain of those terms on an investment in Denali s stock; and

general market conditions.

In addition, until an orderly trading market develops for Class V Common Stock following the completion of the merger, the market price of Class V Common Stock may fluctuate significantly.

There may not be an active trading market for shares of the Class V Common Stock, which may cause a decrease in the market price of the shares of the Class V Common Stock and make it difficult to sell such shares.

Prior to the completion of the merger, there will not be a public trading market for shares of the Class V Common Stock. It is possible that after the completion of the merger, an active trading market will not develop or, if developed, that any market will be sustained. The market price of the Class V Common Stock may decline from time to time and you may not be able to sell your shares of Class V Common Stock at an attractive price or at all.

The market value of Class V Common Stock could be adversely affected by events involving the assets and businesses attributed to the DHI Group.

Because Denali will be the issuer of both DHI Group common stock and Class V Common Stock, an adverse market reaction to events relating to the assets and businesses attributed to the DHI Group, such as disclosure of earnings or announcements of new products or services, acquisitions or dispositions that the market does not view favorably, may have an adverse effect on the Class V Common Stock. Because Denali s objective of reducing its indebtedness during the first 18-24 months after the completion of the merger will be dependent on cash generated by the DHI Group, any failure of the DHI Group to generate such cash could result in a material reduction in the credit quality of Denali and adversely impact the value of the Class V Common Stock. In addition, the incurrence of significant additional indebtedness by Denali or any of Denali s subsidiaries on behalf of the DHI Group, including additional indebtedness incurred or assumed in connection with acquisitions of, or investments in, businesses, could affect Denali s credit rating and that of Denali s subsidiaries and, therefore, could increase the borrowing costs of Denali and its subsidiaries.

Denali may not pay dividends equally or at all on Class V Common Stock.

VMware does not currently pay dividends on its common stock, and any decisions regarding dividends on the VMware common stock would be a decision of VMware s board of directors. Denali does not presently intend to pay cash dividends on the Class V Common Stock. If VMware were to pay a dividend on the VMware common stock owned by Denali that is attributable to the Class V Group, Denali could, but would not be required to, distribute some or all of that amount to the holders of Class V Common Stock. Denali will have the right to pay dividends on the shares of common stock of each group in equal or unequal amounts, and Denali may pay dividends on the shares of common stock of one group and not pay dividends on shares of common stock of the other group. See *Risk Factors*

Relating to the Combined Company After the completion of the merger, Denali will be controlled by the MD stockholders, the MSD Partners stockholders and the SLP stockholders, whose interests may differ from the interests of the holders of Class V Common Stock. In addition, any dividends or distributions on, or repurchases of, shares relating to either group will reduce Denali s assets legally available to be paid as dividends on the shares relating to the other group.

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Denali s operations are conducted almost entirely through its subsidiaries and its ability to generate cash to make future dividend payments, if any, is highly dependent on the cash flows and the receipt of funds from its subsidiaries via dividends or intercompany loans. To the extent that Denali determines in the future to pay dividends on the DHI Group common stock or the Class V Common Stock, the terms of certain agreements governing Denali s or its subsidiaries indebtedness, including the credit agreement governing the new revolving credit facility and any credit facilities of VMware, may significantly restrict the ability of Denali s subsidiaries to pay dividends or otherwise transfer assets to Denali, as well as the ability of Denali to pay dividends to holders of its common stock. In addition, Delaware law imposes requirements that may restrict Denali s ability to pay dividends to holders of its common stock.

Denali s tracking stock capital structure could create conflicts of interest, and the Denali board of directors may make decisions that could adversely affect only some holders of Denali s common stock.

Denali s tracking stock capital structure could give rise to circumstances where the interests of holders of stock of one group might diverge or appear to diverge from the interests of holders of stock of the other group. In addition, given the nature of their businesses, there may be inherent conflicts of interests between the DHI Group and the Class V Group. Denali s groups are not separate entities and thus holders of DHI Group common stock and Class V Common Stock will not have the right to elect separate boards of directors. As a result, Denali s officers and directors will owe fiduciary duties to Denali as a whole and all of Denali s stockholders as opposed to only holders of a particular group. Decisions deemed to be in the best interest of Denali and all of Denali s stockholders may not be in the best interest of a particular group when considered independently, such as:

- decisions as to the terms of any business relationships that may be created between the DHI Group and the Class V Group or the terms of any reallocations of assets between the groups;

- decisions as to the allocation of corporate opportunities between the groups, especially where the opportunities might meet the strategic business objectives of both groups;

- decisions as to operational and financial matters that could be considered detrimental to one group but beneficial to the other;

- decisions as to the conversion of Class V Common Stock into Class C Common Stock, which the Denali board of directors may make in its sole discretion, so long as the Class C Common Stock is then traded on a U.S. securities exchange;

- decisions regarding the increase or decrease of the inter-group interest that the DHI Group may own in the Class V Group from time to time;

- decisions as to the internal or external financing attributable to businesses or assets attributed to either of Denali s groups;

decisions as to the dispositions of assets of either of Denali s groups; and

decisions as to the payment of dividends on the stock relating to either of Denali s groups.

Ownership of DHI Group common stock and Class V Common Stock by Denali s directors or officers may create or appear to create conflicts of interest.

With the exception of the three independent directors who will serve as Group I Directors (whose equity compensation by Denali must be approximately half in the form of Class V Common Stock or options to acquire Class V Common Stock based on value at the time of grant), it is expected that all or substantially all of the direct and indirect equity ownership in Denali of Denali s directors and officers will consist of DHI Group common stock. Such ownership of DHI Group common stock by Denali s directors and officers could create or appear to create conflicts of interest when they are faced with decisions that could have different implications for the holders of DHI Group common stock or Class V Common Stock.

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The Denali board of directors may not change the Denali Tracking Stock Policy without the approval of the Capital Stock Committee, which will consist of a majority of independent directors. However, any such change following its implementation may be made to the detriment of either group without stockholder approval.

The Denali board of directors intends to adopt the Denali Tracking Stock Policy described in this proxy statement/prospectus to serve as guidelines in making decisions regarding the relationships between the DHI Group and the Class V Group with respect to matters such as tax liabilities and benefits, inter-group debt, inter-group interests, allocation and reallocation of assets, financing alternatives, corporate opportunities, payment of dividends and similar items. These policies also set forth the initial allocation of Denali s businesses, assets and liabilities between them. See *Description of Denali Tracking Stock Policy*. These policies will not be included in the Denali certificate. The Denali board of directors may not change or make exceptions to these policies without the approval of the Capital Stock Committee, which will consist of a majority of independent directors. Because these policies relate to matters concerning the day-to-day management of Denali as opposed to significant corporate actions, such as a merger involving Denali or a sale of substantially all of Denali s assets, no stockholder approval is required with respect to their adoption or amendment. A decision to change, or make exceptions to, these policies or adopt additional policies could disadvantage one group while advantaging the other.

Holders of shares of stock relating to a particular group may not have any remedies if any action by Denali s directors or officers has an adverse effect on only that stock.

Principles of Delaware law and the provisions of the Denali certificate may protect decisions of the Denali board of directors that have a disparate impact upon holders of shares of stock relating to a particular group. Under Delaware law, the Denali board of directors has a duty to act with due care and in the best interests of all stockholders. Principles of Delaware law established in cases involving differing treatment of multiple classes or series of stock provide that, subject to any applicable provisions of the corporation s certificate of incorporation, a board of directors owes an equal duty to all stockholders and does not have separate or additional duties to any subset of stockholders. Judicial opinions in Delaware involving tracking stocks have established that decisions by directors or officers involving differing treatment of holders of tracking stocks may be judged under the business judgment rule. In some circumstances, Denali s directors or officers may be required to make a decision that is viewed as adverse to the holders of shares relating to a particular group. Under the principles of Delaware law and the business judgment rule referred to above, Denali stockholders may not be able to successfully challenge decisions they believe have a disparate impact upon the stockholders of one of Denali s groups if a majority of the Denali board of directors is disinterested and independent with respect to the action taken, is adequately informed with respect to the action taken and acts in good faith and in the honest belief that the Denali board of directors is acting in the best interest of Denali and all of Denali s stockholders.

Denali may dispose of assets of the Class V Group without the approval of holders of the Class V Common Stock.

Delaware law requires stockholder approval only for a sale or other disposition of all or substantially all of the assets of Denali taken as a whole, and the Denali certificate does not require a separate class vote in the case of a sale of a significant amount of assets attributed to any of Denali s groups. As long as the assets attributed to the Class V Group proposed to be disposed of represent less than substantially all of Denali s assets, Denali may approve sales and other dispositions of any amount of the assets attributed to such group without any stockholder approval.

If Denali disposes of all or substantially all of the assets attributed to the Class V Group (which means, for this purpose, assets representing 80% of the fair value of the total assets of the Class V Group as of such date, as determined by the Denali board of directors), Denali would be required, if the disposition is not an excluded transaction under the terms of the Denali certificate, to choose one or more of the following three alternatives:

- declare and pay a dividend on the Class V Common Stock;

redeem shares of the Class V Common Stock in exchange for cash, securities or other property; and/or

so long as the Class C Common Stock is then traded on a U.S. securities exchange, convert all or a portion of the outstanding Class V Common Stock into Class C Common Stock.

See *Description of Denali Capital Stock Following the Merger Denali Common Stock Dividend, Redemption or Conversion in Case of Class V Group Disposition*.

In this type of a transaction, holders of the Class V Common Stock may receive less value than the value that a third-party buyer might pay for all or substantially all of the assets of the Class V Group.

The Denali board of directors will decide, in its sole discretion, how to proceed and is not required to select the option that would result in the highest value to holders of any group of Denali s common stock.

Holders of Class V Common Stock may receive less consideration upon a sale of the assets attributed to the Class V Group than if such group were a separate company.

If the Class V Group were a separate, independent company and its shares were acquired by another person, certain costs of that sale, including corporate level taxes, might not be payable in connection with that acquisition. As a result, stockholders of a separate, independent company with the same assets might receive a greater amount of proceeds than the holders of Class V Common Stock would receive upon a sale of all or substantially all of the assets of the Class V Group. In addition, Denali cannot make any assurance that in the event of such a sale the per share consideration to be paid to holders of Class V Common Stock will be equal to or more than the per share value prior to or after the announcement of a sale of all or substantially all of the assets of the Class V Group. Further, there is no requirement that the consideration paid be tax-free to the holders of Class V Common Stock. Accordingly, if Denali sells all or substantially all of the assets attributed to the Class V Group, the value of Denali s stockholders investment in Denali could decrease.

In the event of a liquidation of Denali, holders of Class V Common Stock will not have a priority with respect to the assets attributed to the Class V Group remaining for distribution to stockholders.

Under the Denali certificate, upon Denali s liquidation, dissolution or winding-up, holders of the Class V Common Stock will be entitled to receive, in respect of their shares of such stock, their proportionate interest in all of Denali s assets, if any, remaining for distribution to holders of common stock in proportion to their respective number of liquidation units per share. Relative liquidation units will be based on the volume weighted average price of the Class V Common Stock over the 10 trading day period commencing shortly after the initial filing of the Denali certificate and the determination of the Denali board of directors of the value of the DHI Group common stock at such time. Hence, the assets to be distributed to a holder of Class V Common Stock upon a liquidation, dissolution or winding-up of Denali will not be linked to the relative value of the assets attributed to the Class V Group at that time or to changes in the relative value of the DHI Group common stock and the Class V Common Stock over time.

The Denali board of directors may in its sole discretion elect to convert the Class V Common Stock into Class C Common Stock, thereby changing the nature of the investment.

The Denali certificate will permit the Denali board of directors, in its sole discretion, to convert all of the outstanding shares of Class V Common Stock into Class C Common Stock at such time as the Class C Common Stock is already traded on a U.S. securities exchange and the shares are converted at a ratio that provides the stockholders of the Class V Common Stock with the applicable conversion premium to which they are entitled. See *Description of Denali*

Capital Stock Following the Merger Conversion Conversion of Class V Common Stock into Class C Common Stock at the Option of Denali. A conversion would preclude the holders of Class V Common Stock from retaining their investment in a security that is intended to reflect separately the performance of the Class V Group. Denali cannot predict the impact on the market value of Denali s stock of (1) the Denali board of directors ability to effect any such conversion or (2) the exercise of this conversion right by Denali.

If Denali exercises its option to convert all outstanding shares of Class V Common Stock into shares of Class C Common Stock, such conversion would effectively eliminate Denali s tracking stock structure because the holders of Class V Common Stock would upon conversion hold one of four series of DHI Group common stock, none of which, after such conversion, would be intended to track the performance of any distinct tracking groups. Upon any such conversion, holders would no longer, for example, have special class voting rights or be subject to certain redemption or conversion provisions related to the Class V Group. Additionally, there would no longer be a Capital Stock Committee or a tracking stock policy. See *Description of Denali Capital Stock Following the Merger Conversion Conversion of Class V Common Stock into Class C Common Stock at the Option of Denali Material Differences in Rights between Class V Common Stock and Class C Common Stock.*

Holders of DHI Group common stock and Class V Common Stock will generally vote together and holders of Class V Common Stock will have limited separate voting rights.

Holders of DHI Group common stock and Class V Common Stock will vote together as a single class, except in certain limited circumstances prescribed by the Denali certificate and under Delaware law. Each share of Class V Common Stock and Class C Common Stock will have one vote per share. Each share of Class A Common Stock and Class B Common Stock will have ten votes per share. Class D Common Stock will not vote on any matters except to the extent required under Delaware law. In addition, the Group II Directors of DHI will be elected solely by the holders of Class A Common Stock voting as a separate class and the Group III Directors of DHI will be elected solely by the holders of Class B Common Stock voting as a separate class.

Immediately following the completion of the merger, it is expected that the number of votes to which holders of Class V Common Stock would be entitled will represent approximately 4% of the total number of votes to which all holders of Denali common stock would be entitled, the number of votes to which holders of Class A Common Stock would be entitled will represent approximately 73% of the total number of votes to which all holders of Denali common stock would be entitled, the number of votes to which holders of Class B Common Stock would be entitled will represent approximately 23% of the total number of votes to which all holders of Denali common stock would be entitled, and the number of votes to which holders of Class C Common Stock would be entitled will represent less than 1% of the total number of votes to which all holders of Denali common stock would be entitled. As a result, when holders of DHI Group common stock and Class V Common Stock vote together as a single class, holders of DHI Group common stock will be in a position to control the outcome of the vote even if the matter involves a conflict of interest among Denali s stockholders or has a greater impact on one group than the other. See *Description of Denali Capital Stock Following the Merger Denali Common Stock Voting Rights.*

Certain restrictions provided in the Denali certificate will lapse on the two-year anniversary of the closing of the merger, which would allow Denali to cause VMware Class A common stock to cease to be publicly listed and would prevent investors who may view the market price of VMware Class A common stock as relevant to a valuation of the VMware business from accessing sale information.

As described under *Description of Denali Capital Stock Following the Merger Restrictions on Corporate Actions*, certain restrictions in the Denali certificate will prevent Denali from acquiring shares of VMware common stock for two years in circumstances in which the VMware Class A common stock would cease to be listed on a U.S. national securities, subject to certain exceptions related to tax consolidation. While investors may view the market price of VMware Class A common stock as relevant to a valuation of the VMware business, the Class V Common Stock and the VMware Class A common stock have different characteristics, which Denali expects may affect their respective market prices in distinct ways. If Denali determined to take such actions following the expiration of such restrictions in the Denali certificate and the VMware Class A common stock ceased to trade publicly, such action could cause the Class V Common Stock to be delisted as discussed above, which would materially adversely affect the liquidity and value of the Class V Common Stock.

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Holders of Class V Common Stock may not benefit from any potential premiums paid to the public holders of VMware Class A common stock following the merger.

Denali or other persons may choose to purchase shares of VMware Class A common stock at a premium, and holders of Class V Common Stock would not be entitled to a similar premium for their shares of Class V Common Stock in such circumstances.

Denali s capital structure, as well as the fact that the Class V Group is not an independent company, may inhibit or prevent acquisition bids for the Class V Group and may make it difficult for a third party to acquire Denali, even if doing so may be beneficial to Denali s stockholders.

If the Class V Group were a separate, independent company, any person interested in acquiring the Class V Group without negotiating with management could seek control of the group by obtaining control of its outstanding voting stock, by means of a tender offer, or by means of a proxy contest. Although Denali intends the Class V Common Stock to reflect the separate economic performance of the Class V Group, the group is not a separate entity and a person interested in acquiring only the Class V Group without negotiation with Denali s management could obtain control of the group only by obtaining control of a majority in voting power of all of the outstanding shares of common stock of Denali. Even if the MD stockholders, the MSD Partners stockholders and the SLP stockholders approved such an acquisition, the existence of shares of common stock relating to different groups could present complexities and in certain circumstances pose obstacles, financial and otherwise, to an acquiring person that are not present in companies that do not have capital structures similar to Denali s.

Certain provisions of the Denali certificate and Denali bylaws may discourage, delay or prevent a change in control of Denali that a stockholder may consider favorable. These provisions include:

- limiting who may call special meetings of stockholders;
- establishing advance notice requirements for nominations of candidates for election to the Denali board of directors; and
- the existence of authorized and unissued stock, including blank check preferred stock, which could be issued by the Denali board of directors without approval of the holders of Denali common stock to persons friendly to Denali s then-current management, thereby protecting the continuity of Denali s management, or which could be used to dilute the stock ownership of persons seeking to obtain control of Denali.

Further, as a Delaware corporation, Denali is also subject to provisions of Delaware law, which may deter a takeover attempt that its stockholders may find beneficial. These anti-takeover provisions and other provisions under Delaware law could discourage, delay or prevent a transaction involving a change in control of Denali, including actions that its stockholders may deem advantageous, or negatively affect the trading price of its common stock, including the Class V Common Stock. These provisions could also discourage proxy contests and make it more difficult for Denali s stockholders to elect directors of their choosing and to cause Denali to take other corporate actions that may be desired by its stockholders.

Denali s board of directors is authorized to issue and designate shares of preferred stock in additional series without stockholder approval.

The Denali certificate will authorize Denali s board of directors, without the approval of its stockholders, to issue 1.0 billion shares of preferred stock, subject to limitations prescribed by applicable law, rules and regulations and the provisions of the Denali certificate, as shares of preferred stock in series, to establish from time to time the number of shares to be included in each such series and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof. The powers, preferences and rights of these additional series of preferred stock may be senior to or on parity with Denali s series of common stock, including the Class V Common Stock, which may reduce the value of the Class V Common Stock.

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You may be diluted in certain circumstances by the future issuance of additional Class V Common Stock.

After the completion of the merger, Denali will have 120,058,858 shares of authorized but unissued Class V Common Stock. The Denali certificate authorizes Denali to issue these shares of Class V Common Stock from time to time on the terms and conditions established by the Denali board of directors, whether in connection with acquisitions or otherwise. The issuance of currently authorized but unissued shares of Class V Common Stock will not dilute your interest in the Class V Group. However, your percentage interest in the Class V Group may be diluted in certain circumstances following such time, if any, as the Denali certificate is amended to increase the number of authorized shares of Class V Common Stock to over 343,025,308 shares.

Future sales, or the perception of future sales, by Denali or holders of Class V Common Stock in the public market could cause the market price for the Class V Common Stock to decline.

The sale of substantial amounts of shares of the Class V Common Stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of shares of the Class V Common Stock. These sales, or the possibility that these sales may occur, also might make it more difficult for Denali to sell equity securities in the future at a time and at a price that it deems appropriate.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF DENALI

The following tables present Denali s selected historical consolidated financial data. On October 29, 2013, Denali acquired Dell in a transaction referred to as the going-private transaction. For the purposes of the consolidated financial data included in this proxy statement/prospectus for Denali, periods prior to October 29, 2013 reflect the financial position, results of operations and changes in financial position of Dell and its consolidated subsidiaries prior to the going-private transaction, referred to as the Predecessor, and periods beginning on or after October 29, 2013 reflect the financial position, results of operations and changes in financial position of Denali and its consolidated subsidiaries as a result of the going-private transaction, referred to as the Successor. For more information on the predecessor and successor periods, see Note 1 of the Notes to the Audited Consolidated Financial Statements of Denali.

The consolidated balance sheet data as of January 29, 2016 and January 30, 2015 and the results of operations and cash flow data for the fiscal years ended January 29, 2016 and January 30, 2015, the successor period October 29, 2013 to January 31, 2014, and the predecessor period February 2, 2013 to October 28, 2013 have been derived from Denali s Audited Consolidated Financial Statements included elsewhere in this proxy statement/prospectus. The consolidated balance sheet data as of January 31, 2014 has been derived from Denali s Audited Consolidated Financial Statements for the fiscal year then ended, which are not included or incorporated by reference herein. The consolidated balance sheet data as of February 1, 2013 and February 3, 2012 and the results of operations and cash flow data for the fiscal years ended February 1, 2013 and February 3, 2012 have been derived from Dell s audited financial statements included in Dell s Annual Report on Form 10-K for the year ended February 1, 2013 filed with the SEC and is not included or incorporated by reference herein.

The selected historical consolidated financial data presented below is not necessarily indicative of the results to be expected for any future period. The selected historical consolidated financial data does not reflect the capital structure of the combined company following the completion of the merger and related financings and is not indicative of results that would have been reported had such transactions occurred as of the dates indicated. The selected historical consolidated financial data presented below should be read in conjunction with Denali s Audited Consolidated Financial Statements and accompanying notes and the *Denali Unaudited Pro Forma Condensed Combined Financial Statements*, as well as *Management s Discussion and Analysis of Financial Condition and Results of Operations of Denali*, included elsewhere in this proxy statement/prospectus.

	Successor			Predecessor		
	Fiscal Year Ended January 29, 2016	Fiscal Year Ended January 30, 2015	October 29, 2013 to January 31, 2014	February 2, 2013 to October 28, 2013	Fiscal Year Ended February 1, 2013	Fiscal Year Ended February 3, 2012[(a)]
	(in millions, except per share data)					
Results of Operations and Cash Flow Data:						
Net revenue	$ 54,886	$ 58,119	$ 14,075	$ 42,302	$ 56,940	$ 62,071
Gross margin	$ 9,832	$ 10,208	$ 1,393	$ 7,991	$ 12,186	$ 13,811
Operating income (loss)	$ (383)	$ (422)	$ (1,798)	$ 518	$ 3,012	$ 4,431
Income (loss) before income taxes	$ (1,175)	$ (1,346)	$ (2,002)	$ 320	$ 2,841	$ 4,240
Net income (loss)	$ (1,104)	$ (1,221)	$ (1,612)	$ (93)	$ 2,372	$ 3,492

Earnings (loss) per common share:												
Basic	$	(2.73)	$	(3.02)	$	(4.06)	$	(0.05)	$	1.36	$	1.90
Diluted	$	(2.73)	$	(3.02)	$	(4.06)	$	(0.05)	$	1.35	$	1.88
Number of weighted-average shares outstanding:												
Basic		405		404		397		1,755		1,745		1,838
Diluted		405		404		397		1,755		1,755		1,853
Net cash provided by operating activities	$	2,162	$	2,551	$	1,082	$	1,604	$	3,283	$	5,527

(a) The fiscal year ended February 3, 2012 included 53 weeks.

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The following table presents Denali s selected historical consolidated balance sheet information as of the dates indicated:

	Successor			Predecessor	
	January 29, 2016	January 30, 2015	January 31, 2014	February 1, 2013	February 3, 2012
			(in millions)		
Balance Sheet Data:					
Cash and cash equivalents	$ 6,576	$ 5,398	$ 6,449	$ 12,569	$ 13,852
Total assets	$ 45,250	$ 48,192	$ 51,153	$ 47,540	$ 44,533
Short-term debt	$ 2,984	$ 2,921	$ 3,063	$ 3,843	$ 2,867
Long-term debt	$ 10,775	$ 11,234	$ 14,352	$ 5,242	$ 6,387
Total stockholders equity	$ 1,466	$ 2,904	$ 4,014	$ 10,701	$ 8,917

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF EMC

The following table presents selected historical consolidated financial data for EMC as of and for the years ended December 31, 2015, 2014, 2013, 2012 and 2011 and as of and for the three months ended March 31, 2016 and 2015.

The consolidated summary of operations data for the years ended December 31, 2015, 2014 and 2013 and the consolidated balance sheet data as of December 31, 2015 and 2014 have been derived from EMC s audited consolidated financial statements included in EMC s Annual Report on Form 10-K for the year ended December 31, 2015, which is incorporated by reference into this proxy statement/prospectus. The consolidated summary of operations data for the years ended December 31, 2012 and 2011 and the consolidated balance sheet data as of December 31, 2013, 2012 and 2011 have been derived from EMC s audited consolidated financial statements for such periods, which are not included or incorporated by reference herein.

The consolidated summary of operations data for the three months ended March 31, 2016 and 2015 and the consolidated balance sheet data as of March 31, 2016 have been derived from EMC s unaudited consolidated financial statements included in EMC s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016, which is incorporated by reference into this proxy statement/prospectus. The consolidated balance sheet data as of March 31, 2015 has been derived from EMC s unaudited consolidated financial statements for such period, which have not been incorporated into this document by reference.

The selected historical consolidated financial data set forth below is not necessarily indicative of future results and should be read together with the other information contained in EMC s Annual Report on Form 10-K for the year ended December 31, 2015 and EMC s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016, including the sections entitled *Management s Discussion and Analysis of Financial Condition and Results of Operations*, and the consolidated financial statements and notes thereto. See *Where You Can Find More Information* for information on how you can obtain copies of the incorporated documents or view them via the Internet.

(in millions, except per share amounts)

	As of and for the Three Months Ended March 31,		Year Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
Summary of Operations:							
Revenues	$ 5,475	$ 5,613	$ 24,704	$ 24,440	$ 23,222	$ 21,714	$ 20,008
Operating income	$ 410	$ 379	2,841	4,037	4,150	3,964	3,442
Net income attributable to EMC Corporation	$ 268	$ 252	1,990	2,714	2,889	2,733	2,461
Net income attributable to EMC Corporation per weighted average share, basic	$ 0.14	$ 0.13	$ 1.02	$ 1.34	$ 1.39	$ 1.31	$ 1.20
Net income attributable to EMC Corporation per weighted average share, diluted	$ 0.14	$ 0.13	$ 1.01	$ 1.32	$ 1.33	$ 1.23	$ 1.10
Weighted average shares, basic	1,949	1,974	1,944	2,028	2,074	2,093	2,056
Weighted average shares, diluted	1,965	1,996	1,962	2,059	2,160	2,206	2,229

Dividend declared per common share	0.12	0.12	$ 0.46	$ 0.45	$ 0.30	$	$
Balance Sheet Data:							
Working capital (1)	$ 3,314	$ 1,105	$ 2,178	$ 2,953	$ 4,567	$ 961	$ 473
Total assets (1, 2)	$ 45,703	$ 46,612	46,612	45,585	45,396	37,494	34,017
Current obligations (3)	$ 925	$ 1,299	1,299		1,665	1,652	3,305
Long-term obligations (2)	$ 5,477	$ 5,475	5,475	5,469	5,462		
Total shareholders equity	$ 23,250	$ 22,719	22,719	23,525	23,786	23,524	20,280

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(1) During 2015, EMC retrospectively adopted the accounting guidance related to the balance sheet classification of deferred taxes which requires that all deferred taxes be presented as non-current. The adoption is reflected in all periods in the table above.

(2) Long-term obligations include EMC issued long-term debt. During 2015, EMC retrospectively adopted the accounting guidance requiring the presentation of debt issuance costs to be presented in the balance sheet as a direct reduction from the carrying amount of the related debt liability rather than as an asset. The adoption is reflected in all relevant periods in the table above.

(3) Current obligations include commercial paper issued and credit facility borrowings outstanding at March 31, 2015, December 31, 2015, and March 31, 2016, and the convertible debt and notes converted and payable, which were classified as current at December 31, 2013, 2012 and 2011.

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SELECTED DENALI UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA

The selected unaudited pro forma condensed combined financial data for the year ended January 29, 2016 combines the historical consolidated statements of income (loss) of Denali and EMC, giving effect to the merger and related financing transactions as if they had occurred on January 31, 2015, the first day of the fiscal year ended January 29, 2016. The unaudited pro forma condensed combined statement of loss for the year ended January 29, 2016 additionally reflects the anticipated disposition of Dell Services, which will be accounted for as discontinued operations, as if it had occurred on February 2, 2013. The selected unaudited pro forma condensed combined statement of financial position data as of January 29, 2016 combines the historical consolidated statements of financial position of Denali and EMC, giving effect to the merger, related financing transactions and anticipated disposition of Dell Services, which will be accounted for as discontinued operations, as if they had occurred on January 29, 2016. The selected unaudited pro forma condensed combined financial data has been derived from and should be read in conjunction with the unaudited pro forma condensed combined financial information, including the notes thereto, which is included in this proxy statement/prospectus under *Denali Unaudited Pro Forma Condensed Combined Financial Statements*.

The selected unaudited pro forma condensed combined financial data is presented for informational purposes only. The selected unaudited pro forma condensed combined financial data does not purport to represent what the combined company s results of operations or financial condition would have been had the merger or disposition actually occurred on the dates indicated, and does not purport to project the combined company s results of operations or financial condition for any future period or as of any future date. The selected unaudited pro forma condensed combined financial data does not reflect all potential divestitures that may occur prior to, or subsequent to, the completion of the merger, cost savings that may be realized as a result of the merger, or any potential changes in compensation plans. Further, as explained in the notes accompanying the unaudited pro forma condensed combined financial information included under *Denali Unaudited Pro Forma Condensed Combined Financial Statements*, the pro forma allocation of purchase price reflected in the selected unaudited pro forma condensed combined financial data is subject to adjustment and may vary from the actual purchase price allocation that will be recorded at the time the merger is completed. Additionally, the adjustments made in the selected unaudited pro forma condensed financial data, which are described in those notes, are preliminary and may be revised.

		Pro forma Fiscal Year Ended January 29, 2016 (in millions, except per share data)
Combined Results of Operations Data:		
Net revenue	$	73,959
Gross margin	$	19,150
Operating loss	$	(2,925)
Loss from continuing operations before income taxes	$	(5,629)
Net loss from continuing operations	$	(3,704)
DHI Group Common Stock:		
Loss per share from continuing operations, basic	$	(7.32)
Loss per share from continuing operations, diluted	$	(7.32)
Weighted average shares outstanding, basic		560

Weighted average shares outstanding, diluted		560
Net loss from continuing operations attributable to DHI Group common stock	$	(4,097)
Class V Common Stock:		
Earnings per share from continuing operations, basic	$	2.35
Earnings per share from continuing operations, diluted	$	2.34
Weighted average shares outstanding, basic		223
Weighted average shares outstanding, diluted		223
Net income from continuing operations attributable to Class V Common Stock	$	524

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The following table presents Denali s selected unaudited pro forma combined statement of financial position data as of January 29, 2016:

	Pro forma January 29, 2016 (in millions)
Combined Statement of Financial Position Data:	
Cash and cash equivalents	$ 7,037
Total assets	$ 135,226
Short-term debt (1)	$ 2,793
Long-term debt (2)	$ 51,405
Total stockholders equity (3)	$ 19,789

(1) Assumes that the divestiture of Dell Services closes substantially concurrently with or prior to the completion of the merger and the proceeds from such divestiture are used to fund the merger and related transactions. To the extent that the divestiture of Dell Services does not close substantially concurrently with or prior to the completion of the merger, pro forma short-term debt as of January 29, 2016 would be $4,993 million.

(2) Assumes that the divestiture of Dell Services closes substantially concurrently with or prior to the completion of the merger and the proceeds from such divestiture are used to fund the merger and related transactions. To the extent that the divestiture of Dell Services does not close substantially concurrently with or prior to the completion of the merger, pro forma long-term debt as of January 29, 2016 would be $51,905 million.

(3) Assumes that the divestiture of Dell Services closes substantially concurrently with or prior to the completion of the merger and the proceeds from such divestiture are used to fund the merger and related transactions. To the extent that the divestiture of Dell Services does not close substantially concurrently with or prior to the completion of the merger, pro forma total stockholders equity as of January 29, 2016 would be $18,196 million.

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COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA

The following tables set forth:

- historical per share information of Denali for the fiscal year ended January 29, 2016;
- historical per share information of EMC for the fiscal year ended December 31, 2015; and
- unaudited pro forma per share information of the combined company for the fiscal year ended January 29, 2016 after giving effect to the transactions contemplated by the merger agreement and the anticipated disposition of Dell Services.

The pro forma net income and cash dividends per share information reflects the transactions contemplated by the merger agreement as if they had occurred on January 31, 2015.

This information is based on, and should be read together with, the selected historical financial information, the unaudited pro forma condensed combined financial information and the historical financial statements of Denali included in this proxy statement/prospectus and the historical financial information that EMC has presented in its filings with the SEC that are incorporated herein by reference. See the section entitled *Where You Can Find More Information* for information on how you can obtain copies of EMC s incorporated SEC filings or access them via the Internet. The unaudited pro forma combined per share data are presented for illustrative purposes only and are not necessarily indicative of actual or future financial position or results of operations that would have been realized if the merger had been completed as of the dates indicated or will be realized upon the completion of the merger.

Fiscal Years

	Denali (Fiscal Year Ended January 29, 2016)	EMC (Fiscal Year Ended December 31, 2015)	DHI Group Unaudited Pro Forma Combined (Fiscal Year Ended January 29, 2016) (unaudited)	Class V Group Unaudited Pro Forma Combined (Fiscal Year Ended January 29, 2016) (unaudited)
Net income (loss) per common share, basic	$ (2.73)	$ 1.02	$ (7.32)	$ 2.35
Net income (loss) per common share, diluted	$ (2.73)	$ 1.01	$ (7.32)	$ 2.34
Cash dividends per share	$	$ 0.46	$	$
Book value per share	$ 3.88	$ 11.69		

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COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION

Shares of EMC are currently listed and principally traded on the NYSE under the symbol EMC. The following table sets forth, for the periods indicated, the high and low sales price per share of EMC common stock as reported on the NYSE, and the dividends declared during such periods. Denali common stock is not publicly traded. Denali has never declared or paid cash dividends on its common stock and does not expect to pay any cash dividends in the foreseeable future. In addition, Denali s operations are conducted almost entirely through its subsidiaries and its ability to generate cash to make future dividend payments, if any, is highly dependent on the cash flows and the receipt of funds from its subsidiaries via dividends or intercompany loans. To the extent that Denali determines in the future to pay dividends on the DHI Group common stock or the Class V Common Stock, the terms of certain agreements governing Denali s or its subsidiaries indebtedness, including the credit agreement governing the new revolving credit facility and any credit facilities of VMware, may significantly restrict the ability of Denali s subsidiaries to pay dividends or otherwise transfer assets to Denali, as well as the ability of Denali to pay dividends to holders of its common stock. In addition, Delaware law may also impose requirements that may restrict Denali s ability to pay dividends to holders of its common stock.

EMC	High	Low	Dividends
Fiscal year ending December 31, 2016			
Second quarter (through May 20, 2016)	$ 27.97	$ 25.44	
First quarter	$ 26.83	$ 23.69	$ 0.115
Fiscal year ended December 31, 2015			
Fourth quarter	$ 28.77	$ 23.70	$ 0.115
Third quarter	$ 28.00	$ 22.66	$ 0.115
Second quarter	$ 27.73	$ 25.22	$ 0.115
First quarter	$ 30.05	$ 25.07	$ 0.115
Fiscal year ended December 31, 2014			
Fourth quarter	$ 30.92	$ 26.11	$ 0.115
Third quarter	$ 30.18	$ 26.34	$ 0.115
Second quarter	$ 28.10	$ 24.92	$ 0.115
First quarter	$ 28.26	$ 23.47	$ 0.100

The following table sets forth the closing price of EMC common stock on October 9, 2015, the last trading date prior to the public announcement of the transaction, and on [ ], 2016, the most recent practicable trading day prior to the date of this proxy statement/prospectus. The market prices of EMC common stock will likely fluctuate between the date of this proxy statement/prospectus and the time of the special meeting and completion of the merger.

	EMC Common Stock
October 9, 2015	$ 27.86
[ ], 2016	$ [ ]

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THE COMPANIES

Denali Holding Inc.

Denali Holding Inc., referred to as Denali, is a holding company that conducts its business operations through Dell Inc., referred to as Dell, and Dell s direct and indirect wholly owned subsidiaries.

Denali was incorporated in the state of Delaware on January 31, 2013 in connection with the going-private transaction of Dell, which was completed in October 2013. Denali is owned by Michael S. Dell, the Chairman, Chief Executive Officer and founder of Dell, a separate property trust for the benefit of Mr. Dell s wife, investment funds affiliated with Silver Lake Partners (a global private equity firm), investment funds affiliated with MSD Partners, L.P. (an investment firm that was formed by the principals of MSD Capital, L.P., the investment firm that exclusively manages the capital of Mr. Dell and his family), members of Dell s management and other investors. As of May 15, 2016, Mr. Dell and his wife s trust beneficially owned approximately 70% of Denali s voting securities, the investment funds associated with Silver Lake Partners beneficially owned approximately 24% of Denali s voting securities, and the other stockholders beneficially owned approximately 6% of Denali s voting securities.

Upon the listing of the shares of Class V Common Stock on the NYSE, Denali will be a controlled company within the meaning of NYSE rules and, as a result, will qualify for exemptions from and may elect not to comply with certain corporate governance requirements, including the requirements that, within one year of the date of the listing of the Class V Common Stock:

- Denali have a board that is composed of a majority of independent directors, as defined under the rules of the NYSE;

- Denali have a compensation committee that is composed entirely of independent directors; and

- Denali have a corporate governance and nominating committee that is composed entirely of independent directors.

Following the closing of the merger, Denali intends to utilize these exemptions. Accordingly, holders of Class V Common Stock will not have the same protections afforded to stockholders of companies such as EMC that are subject to all of the corporate governance requirements of the NYSE.

Denali s principal executive offices are located at One Dell Way, Round Rock, Texas 78682, and its telephone number is (512) 728-7800. Denali s website address is *www.dell.com*. The information contained in, or that may be accessed through, Denali s website and the information contained therein or connected thereto is not intended to be incorporated into this proxy statement/prospectus.

Dell Inc.

Dell is a leading global information technology company that designs, develops, manufactures, markets, sells and supports a wide range of products and services. Dell was incorporated in the state of Delaware in 1984 and is an indirect wholly owned subsidiary of Denali.

Dell s principal executive offices are located at One Dell Way, Round Rock, Texas 78682, and its telephone number is (512) 728-7800. Dell s website address is *www.dell.com*. The information contained in, or that may be accessed through, Dell s website and the information contained therein or connected thereto is not intended to be incorporated into this proxy statement/prospectus.

Universal Acquisition Co.

Universal Acquisition Co., referred to as Merger Sub, is a Delaware corporation and wholly owned subsidiary of Denali. Merger Sub was incorporated on October 8, 2015, solely for the purpose of effecting the merger. It has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the transactions contemplated by the merger agreement. Merger Sub s principal executive offices are located at One Dell Way, Round Rock, Texas 78682, and its telephone number is (512) 728-7800.

EMC Corporation

EMC Corporation, referred to as EMC, including its subsidiaries and affiliates, is a company that manages a federation of businesses, each of which plays a vital role in the transformation of IT. These businesses enable customers to build cloud-based infrastructures for existing applications while at the same time helping customers build and run new applications. EMC was incorporated in Massachusetts in 1979.

EMC common stock is listed on the NYSE under the trading symbol EMC. EMC s principal executive offices are located at 176 South Street, Hopkinton, Massachusetts 01748, its telephone number is (508) 435-1000, and its website is *www.emc.com*. The information contained in, or that can be accessed through, EMC s website is not intended to be incorporated into this proxy statement/prospectus.

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INFORMATION ABOUT DENALI AND DELL

Denali is a holding company that conducts its business operations through Dell and Dell s direct and indirect wholly owned subsidiaries.

Business

Dell is a leading provider of scalable IT solutions enabling customers to be more efficient, mobile, informed and secure. Dell built its reputation through listening to customers and developing solutions that meet their needs. Several years ago, Dell initiated a broad transformation of its operations with the goal of becoming the leading provider of information technology solutions. Dell is positioned to help customers of any size with the essential infrastructure to modernize IT and enable digital business, differentiated by Dell s practical innovation and efficient, simple, and affordable solutions. Dell seeks to build superior customer relationships through its direct business model and its network of channel partners, which includes value-added resellers, system integrators, distributors, and retailers. Dell can react quickly to customer needs, invest in strategic solutions, and expand its go-to-market sales and marketing capabilities. Dell will continue to build strong capabilities to create a leading global technology company poised for long-term sustainable growth and innovation.

A key component of Dell s strategic transformation is to continue shifting its product and services portfolio to offerings that provide higher-value and recurring revenue streams over time. As part of this strategy, Dell is continuing to expand and enhance its offerings through acquisitions and strategic investments that will complement its existing portfolio of solutions. As Dell innovates to make its customers existing IT increasingly productive, Dell helps them reinvest their savings into the next generation of technologies that they need to succeed in the digital economy of a hyper-connected world. These solutions include digital transformation, software-defined data centers, hybrid cloud, converged and hyper-converged infrastructure, mobile and security. In addition, Dell s extended warranty and delivery offerings, and software and peripherals, which are closely tied to the sale of its hardware products, are important value differentiators that it is able to offer its customers. Dell s Client Solutions offerings are an important element of its strategy, and Dell believes that the strategic expansion of this business is critical to its long-term success.

Products and Services

Dell designs, develops, manufactures, markets, sells, and supports a wide range of products and services through its four product and services business units: Client Solutions, Enterprise Solutions Group, Dell Software Group and Dell Services.

In the first quarter of Fiscal 2016, Dell redefined the categories within Client Solutions and Enterprise Solutions Group to reflect the way it currently organizes products and services within these business units. The commercial and consumer categories of Client Solutions consist of products designed to meet the needs of the relevant customer. None of these changes impacted Dell s consolidated or total business unit results. Prior period amounts have been reclassified to conform to the current year presentation.

On March 27, 2016, Dell entered into a definitive agreement with NTT Data International L.L.C. to sell Dell Services for cash consideration of approximately $3.1 billion. See *Notes to Denali Unaudited Pro Forma Condensed Combined Financial Statements* for more information regarding the divestiture.

Dell offers its products and services through the following four business units:

Client Solutions. Dell s Client Solutions offerings include desktops, thin client products, notebooks, and services that are closely tied to the sale of Client Solutions hardware offerings, and Client Solutions peripherals and third-party software related to the sale of these product offerings. Dell s computing devices are designed with customer needs in mind. Dell s offerings balance performance, manageability, design, and security. Dell believes that the strategic and profitable expansion of the Client Solutions offerings is critical to its long-term success.

Commercial On an ongoing basis, Dell continues to refresh and enhance its commercial line of desktops, notebooks, and thin client products. Dell also offers a variety of support and deployment services, customized configuration services, and extended warranty services that are tailored to meet the wide-ranging needs of its commercial customers. These services are highly integrated with the sale and deployment of hardware for Dell s commercial customers.

Consumer Dell s desktops and notebooks provide strong performance, superior display, and enhanced entertainment capabilities. In addition to these hardware offerings, Dell s portfolio of solutions includes peripherals and other service offerings, such as support and extended warranty services, which are closely tied to the sale of consumer hardware.

Third-party software and after-point-of-sale peripherals Dell sells a variety of Client Solutions third-party software and peripherals, including monitors, printers, and projectors.

Enterprise Solutions Group. Offerings by Dell s Enterprise Solutions Group, referred to as ESG, include servers, networking, storage, services that are closely tied to the sale of ESG hardware offerings, and ESG-related peripherals and third-party software.

Servers and Networking Dell s servers are designed to offer customers affordable performance, reliability, and scalability. Dell s offerings include high-performance rack, blade, tower, and hyperscale servers for its business customers as well as converged infrastructure that combines servers, storage and networking capabilities. Dell s networking portfolio is designed to help companies transform and modernize their infrastructure, mobilize and enrich end-user experiences, and accelerate business applications and processes. Dell offers integrated and simplified solutions for wired and wireless connectivity to complement its Client Solutions portfolio. In the data center, Dell s open networking line complements its server and storage portfolios, helping customers boost performance and reduce management costs through convergence and software-defined solutions.

Storage Dell offers a comprehensive portfolio of advanced storage solutions, including storage area networks, network-attached storage, direct-attached storage, software-defined storage, and various data protection solutions. Dell s storage offerings allow customers to grow capacity, add performance, and protect their data in a more economical manner. The flexibility and scalability offered by Dell s storage systems help organizations optimize storage for diverse environments with varied IT requirements. Dell continues to evolve its storage portfolio through enhancements across the entire portfolio, including advances in flash technology, new hyper-converged architectures, and software-defined storage offerings. Dell also provides services and third-party software and peripherals that are closely tied to the sale of storage products.

Dell Software Group. The Dell Software Group, referred to as DSG, offers systems management, security software solutions, and information management software.

Dell Services. Dell Services offers a broad range of IT and business services, including infrastructure, cloud, applications, and business process services. Infrastructure and cloud services may be performed under multi-year outsourcing arrangements. Within these arrangements, Dell is often responsible for defining the infrastructure technology strategies for Dell s customers through the identification and delivery of new technology offerings and innovations that deliver value to its customers. Applications services include such services as application development, modernization and maintenance, application migration and management services, package implementation, testing and quality assurance functions, business intelligence and data warehouse solutions, and application consulting services. Through its business process services, Dell assumes responsibility for certain customer business functions, including back office administration, call center management, and other technical and administration services.

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Dell Financial Services

Dell offers or arranges various financing options and services for its commercial and consumer customers in the United States, Canada, Europe, and Mexico through Dell Financial Services, referred to as DFS. DFS offers a wide range of financial services, including originating, collecting, and servicing customer receivables primarily related to the purchase of Dell products. DFS offers private label credit financing programs to qualified commercial and consumer customers and offers leases and fixed-term financing primarily to commercial customers. Financing through DFS is one of many sources of funding Dell s customers may select. For additional information about Dell s financing arrangements, see Note 5 of the Notes to the Audited Consolidated Financial Statements of Denali included in this proxy statement/prospectus.

SecureWorks

SecureWorks Corp., referred to as SecureWorks, a consolidated subsidiary of Dell and Denali, is a leading global provider of intelligence-driven information security solutions exclusively focused on protecting customers from cyber attacks. On April 27, 2016, SecureWorks completed a registered initial public offering of its Class A common stock.

Products and Services of the Combined Company

The categories of businesses described below represent the current expected financial reportable segments of the combined company. However, Denali management is still in the process of evaluating the organization of the combined company, and the future reportable segments may ultimately differ after a final determination has been made. The businesses of the combined company are expected to include the following categories:

Enterprise Systems. Denali will merge EMC s Information Storage segment and Denali s Enterprise Solutions Group to create the Enterprise Systems Group under the Dell EMC brand. The Enterprise Systems Group will enable Denali s enterprise customers, digital transformation through our trusted hybrid cloud and big data solutions which are built upon a modern data center infrastructure that incorporates industry-leading converged infrastructure and storage technologies. The comprehensive portfolio of advanced storage solutions will include traditional storage solutions as well as next-generation storage solutions (including all flash arrays, scale out file and object platforms and other solutions). The server portfolio will include high-performance rack, blade, tower and hyperscale servers. In addition, the combination of Denali s and EMC s strengths in core server and storage solutions in the Enterprise Systems Group will enable Denali to offer leading converged and hyper-converged solutions, which will allow Denali s customers to accelerate their IT transformation by buying scalable integrated IT solutions instead of building and assembling their own IT platforms. The Enterprise Systems Group will also offer attached software, peripherals and services, including support and deployment, configuration and extended warranty services as well as financing options and services offered by Dell Financial Services.

The Enterprise Systems Group will also include Virtustream and RSA. Virtustream s cloud software and infrastructure-as-a-service solutions enable customers to migrate, run and manage mission-critical applications in cloud-based IT environments, and represents a critical element of our strategy to help customers move their applications to a cloud-based IT infrastructure. RSA provides cybersecurity capabilities to help manage an organization s security and risk profile by providing more effective detection and response through enhanced visibility and analytics.

Client Solutions. The Client Solutions business will consist of Denali s Client Solutions business unit, which will retain the Dell brand. Client Solutions offerings include branded hardware, such as desktop PCs, notebooks and tablets, and branded peripherals, such as monitors, printers and projectors, as well as third-party software and peripherals. Denali s computing devices are designed with Denali s commercial and consumer customers needs in mind, and Denali seeks to optimize performance, reliability, manageability, design and security. In addition to the traditional PC business, Denali also has a portfolio of end-to-end thin client offerings that is well-positioned to benefit from the growth trends in cloud computing. Similar to the Enterprise Systems

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Group, Denali also offers attached software, peripherals and services, including support and deployment, configuration and extended warranty services as well as financing options and services offered by Dell Financial Services.

VMware. VMware (NYSE: VMW) is a leader in virtualization, which enables organizations to efficiently manage IT resources across complex multi-cloud, multi-device environments. VMware has expanded beyond its core business of compute virtualization to offer a broad portfolio of virtualization technologies by leveraging synergies across three main product groups: software-defined data center, hybrid cloud computing and end-user computing. VMware s software-defined data center includes the fundamental compute layer for the data center (vSphere), storage and availability to offer cost-effective holistic data storage and protection options (virtual SAN), network and security (VMware NSX) as well as management and automation (vRealize) products. VMware provides offerings, such as VMware vCloud Air, that enable its customers to utilize off-premise vSphere-based hybrid cloud computing capacity. VMware s end-user computer offerings (such as AirWatch mobile solutions and Horizon application and desktop virtualization solutions) enable IT organizations to efficiently deliver more secure access to applications, data and devices for their end users by leveraging VMware s software-defined data center solutions to extend virtualization from data centers to devices.

SecureWorks. SecureWorks (NASDAQ: SCWX) is a leading global provider of intelligence-driven information security solutions focused on protecting customers from cyber-attacks to small and mid-sized businesses, large enterprises and U.S. state and local government agencies. SecureWorks solutions enable organizations to strengthen their cyber defenses to prevent security breaches by detecting malicious activity in real time, prioritizing and responding rapidly to security breaches and predicting emerging threats. SecureWorks is a strategically aligned business and Denali will own approximately 87% of SecureWorks.

Emerging Cloud Solutions. Denali s next-generation cloud platforms will include Pivotal and Boomi, which are strategically aligned businesses. Pivotal is a leading provider of application and data infrastructure software, and application development services. Denali will own (including through its indirect interest through VMware) approximately 81% of Pivotal, while General Electric, Ford and Microsoft, as well as Pivotal employees, will own the remaining interests. Boomi provides a cloud integration platform enabling customers to move, manage and govern data between cloud and on-premises applications. As a leading integration platform-as-a-service provider, Boomi helps customers achieve significant cost savings by eliminating the need for traditional middleware, appliances or custom code. Denali will own 100% of Boomi.

Dell Software Group. The Dell Software Group offers systems management, security software solutions, and information management software.

Product Development

Dell focuses on developing scalable technology solutions that incorporate highly desirable features and capabilities at competitive prices. It employs a collaborative approach to product design and development in which its engineers, with direct customer input, design innovative solutions and work with a global network of technology companies to architect new system designs, influence the direction of future development, and integrate new technologies into Dell s products. Dell manages its research, development, and engineering, or RD&E, spending by targeting those innovations and products that Dell believes are most valuable to its customers and by relying on the capabilities of Dell s strategic relationships. Through this collaborative, customer-focused approach, Dell strives to deliver new and relevant products to the market quickly and efficiently.

To further its goal of transforming its operations to become the leading provider of scalable end-to-end technology solutions, Dell has been investing in research and development activities that support its strategic initiatives. At January 29, 2016, Dell operated 17 global research and development centers, including the Dell Silicon Valley Research and Development Center. Dell s total RD&E expenses were $1.3 billion, $1.2 billion, and $1.3 billion for Fiscal 2016, Fiscal 2015, and Fiscal 2014, respectively. These investments reflect Dell s commitment to research and development activities that support Dell s initiatives to grow its enterprise solutions and services offerings.

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Manufacturing and Materials

Third parties manufacture the majority of the client products sold under the Dell brand. Dell uses contract manufacturers and manufacturing outsourcing relationships as part of its strategy to enhance Dell s variable cost structure and to achieve Dell s goals of generating cost efficiencies, delivering products faster, better serving Dell s customers, and building a world-class supply chain. Dell s manufacturing facilities are located in Penang, Malaysia; Chengdu, China; Xiamen, China; Hortolândia, Brazil; Chennai India; and Lodz, Poland. See *Properties* for information about Dell s manufacturing and distribution locations.

Dell s manufacturing process consists of assembly, software installation, functional testing, and quality control. Testing and quality control processes are also applied to components, parts, sub-assemblies, and systems obtained from third-party suppliers. Quality control is maintained through the testing of components, sub-assemblies, and systems at various stages in the manufacturing process. Quality control procedures also include a burn-in period for completed units after assembly, ongoing production reliability audits, failure tracking for early identification of production and component problems, and information from customers obtained through services and support programs. Dell is certified to the ISO (International Organization for Standardization) 9001: 2008 Quality management systems standard. This certification includes most of Dell s global sites that design, manufacture, and service its products.

Dell purchases materials, supplies, product components, and products from a large number of vendors. In some cases, where multiple sources of supply are not available, Dell relies on single-source or a limited number of sources of supply if Dell believes it is advantageous to do so because of performance, quality, support, delivery, capacity, or price considerations. Dell believes that any disruption that may occur because of its dependence on single- or limited-source vendors would not disproportionately disadvantage Dell relative to its competitors. See *Risk Factors Risk Factors Relating to Denali, Dell and EMC Risk Factors Relating to Denali and Dell Reliance on vendors for products and components, many of whom are single-source or limited-source suppliers, could harm Dell s business by adversely affecting product availability, delivery, reliability and cost* for information about the risks associated with Dell s use of single- or limited-source suppliers.

Geographic Operations

Dell s global corporate headquarters is located in Round Rock, Texas. Dell has operations and conducts business in many countries located in the Americas, Europe, the Middle East, Asia, and other geographic regions. To increase its global presence, Dell continues to focus on emerging markets outside of the United States, Western Europe, Canada, China and Japan. Dell continues to view these geographical markets, which include the vast majority of the world s population, as a long-term growth opportunity. Accordingly, Dell continues to pursue the development of technology solutions that meet the needs of these markets. Dell s continued expansion in emerging markets creates additional complexity in coordinating the design, development, procurement, manufacturing, distribution, and support of Dell s product and services offerings. For information about percentages of revenue Dell generated from its operations outside of the United States and other financial information for each of the last three fiscal years, see *Management s Discussion and Analysis of Financial Condition and Results of Operations of Denali Results of Operations* and Note 15 of the Notes to the Audited Consolidated Financial Statements of Denali included in this proxy statement/prospectus.

Competition

Dell operates in an industry in which there are rapid technological advances in hardware, software, and services offerings. Dell faces ongoing product and price competition in all areas of its business, including from both branded and generic competitors. Dell competes based on its ability to offer customers competitive, scalable, and integrated solutions that provide the most current and desired product and services features at a competitive price. Dell closely monitors competitor list pricing, including the effect of foreign exchange rate movements, in an effort to provide the best value for its customers. Dell believes that its strong relationships with its customers and channel partners allow it to respond quickly to changing customer needs, and other macroeconomic factors.

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Sales and Marketing

Dell sells products and services directly to customers and through other sales distribution channels, such as retailers, third-party solutions providers, system integrators, and third-party resellers. Dell s customers include large global and national corporate businesses, public institutions that include government, education, healthcare organizations, and law enforcement agencies, small and medium-sized businesses, and consumers.

Dell s sales efforts are organized around the evolving needs of Dell s customers, and Dell s marketing initiatives reflect this focus. Dell believes that its unified global sales and marketing team creates a sales organization that is more customer-focused, collaborative, and innovative. Dell s go-to-market strategy includes a direct business model, as well as channel distribution. Dell s direct business model emphasizes direct communication with customers, thereby allowing Dell to refine its products and marketing programs for specific customers groups, and Dell continues to rely on this strategy. In addition to its direct business model, Dell relies on a network of channel partners to sell Dell products and services, enabling Dell to serve a greater number of customers.

Dell markets its products and services to small and medium-sized businesses and consumers through various advertising media. Customers may offer suggestions for current and future Dell products, services, and operations on Dell IdeaStorm, an interactive portion of Dell s internet website. To react quickly to its customers needs, Dell tracks Dell s Net Promoter Score, a customer loyalty metric that is widely used across various industries. Increasingly, Dell also engages with customers through Dell s social media communities on *www.dell.com* and in external social media channels.

For large business and institutional customers, Dell maintains a field sales force throughout the world. Dedicated account teams, which include enterprise solutions specialists, form long-term relationships to provide Dell s largest customers with a single source of assistance, develop tailored solutions for these customers, and provide Dell with customer feedback. For these customers, Dell offers several programs designed to provide single points of contact and accountability with global account specialists, special global pricing, and consistent global service and support programs. Dell also maintains specific sales and marketing programs targeted at federal, state, and local governmental agencies, as well as healthcare and educational customers.

Patents, Trademarks, and Licenses

At January 29, 2016, Dell held a worldwide portfolio of 5,138 patents and had an additional 2,732 patent applications pending. Dell also holds licenses to use numerous third-party patents. To replace expiring patents, Dell obtains new patents through Dell s ongoing research and development activities. The inventions claimed in Dell s patents and patent applications cover aspects of Dell s current and possible future computer system products, manufacturing processes, and related technologies. Dell s product, business method, and manufacturing process patents may establish barriers to entry in many product lines. Although Dell uses its patented inventions and also licenses them to others, Dell is not substantially dependent on any single patent or group of related patents. Dell has entered into a variety of intellectual property licensing and cross-licensing agreements and software licensing agreements with other companies. Dell anticipates that its worldwide patent portfolio will be of value in negotiating intellectual property rights with others in the industry.

Dell has obtained U.S. federal trademark registration for the DELL word mark and the Dell logo mark. At January 29, 2016, Dell owned registrations for 198 of Dell s other trademarks in the United States and had pending applications for registration of 19 other trademarks. Dell believes that the establishment of the DELL word mark and logo mark in the United States is material to its operations. At January 29, 2016, Dell also had applied for, or obtained registration of, the DELL word mark and several other marks in approximately 195 other countries.

From time to time, other companies and individuals assert exclusive patent, copyright, trademark, or other intellectual property rights to technologies or marks that are alleged to be relevant to the technology industry or Dell s business. Dell evaluates each claim relating to Dell s products and, if appropriate, seeks a license to use the protected technology. The licensing agreements generally do not require the licensor to assist Dell in duplicating the licensor s patented technology, nor do the agreements protect Dell from trade secret, copyright, or other violations by Dell or Dell s suppliers in developing or selling these products.

Government Regulation and Sustainability

Government Regulation. Dell s business is subject to regulation by various U.S. federal and state governmental agencies and other governmental agencies. Such regulation includes the activities of the U.S. Federal Communications Commission; the anti-trust regulatory activities of the U.S. Federal Trade Commission, the U.S. Department of Justice, and the European Union; the consumer protection laws and financial services regulation of the U.S. Federal Trade Commission and various state governmental agencies; the export regulatory activities of the U.S. Department of Commerce and the U.S. Department of Treasury; the import regulatory activities of the U.S. Customs and Border Protection; the product safety regulatory activities of the U.S. Consumer Product Safety Commission and the U.S. Department of Transportation; the health information privacy and security requirements of the U.S. Department of Health and Human Services; and the environmental, employment and labor, and other regulatory activities of a variety of governmental authorities in each of the countries in which Dell conducts business. Dell was not assessed any material environmental fines, nor did Dell have any material environmental remediation or other environmental costs, during Fiscal 2016.

Sustainability. Environmental stewardship and social responsibility are both integral parts of how Dell manages its business, and complement Dell s focus on business efficiencies and customer satisfaction. Dell believes that its focus on environmental and social responsibility drives top-line performance and customer loyalty, reduces operational and regulatory risk, and enhances Dell s brand.

Dell uses open dialogue with its customers, vendors, and other stakeholders as part of its sustainability governance process in which Dell solicits candid feedback and offers honest discussions on the challenges Dell faces globally. Dell s environmental initiatives take many forms, including maximizing product energy efficiency, reducing and eliminating sensitive materials from Dell s products, and providing responsible, convenient computer recycling options for customers. Dell s social responsibility initiatives are focused on both Dell s own facilities and Dell s complex supply chain.

Dell was the first company in its industry to offer a free worldwide recycling program for consumers. Dell has streamlined its transportation network to reduce transit times, minimize air freight, and reduce emissions. Dell s sustainable packaging is designed to minimize box size and to increase recycled content of materials along with recyclability. When developing and designing products, Dell selects materials guided by a precautionary approach in which Dell seeks to eliminate environmentally sensitive substances (where reasonable alternatives exist) from Dell s products and works towards developing reliable, environmentally sound, and commercially scalable solutions. Dell also has created a series of tools that help customers assess their current IT operations and uncover ways to reduce both the costs of those operations and their impact on the environment.

Product Backlog

Dell believes that product backlog is not a meaningful indicator of net revenue that can be expected for any period. Dell s business model generally gives it flexibility to manage product backlog at any point in time by expediting shipping or prioritizing customer orders toward products that have shorter lead times, thereby reducing product backlog and increasing current period revenue. Moreover, product backlog at any point in time may not result in the generation of any predictable amount of net revenue in any subsequent period, as unfilled orders can generally be canceled at any time by the customer.

Trademarks and Services Marks

Unless otherwise noted, trademarks appearing in this description of Denali s business are trademarks owned by Dell. Dell and Denali disclaim proprietary interest in the marks and names of others. Net Promoter Score is a trademark of Satmetrix Systems, Inc., Bain & Company, Inc., and Fred Reichheld.

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Employees

At the end of Fiscal 2016, Dell had approximately 101,800 total full-time employees, compared to approximately 98,300 total full-time employees at the end of Fiscal 2015. At the end of Fiscal 2016, approximately 36% of these full-time employees were located in the United States, and approximately 64% of these full-time employees were located in other countries.

Properties

At January 29, 2016, Dell owned or leased a total of approximately 18 million square feet of office, manufacturing and warehouse space worldwide, approximately 7 million square feet of which is located in the United States. At the same date, Dell owned approximately 48% of this space and leased the remaining 52%. Included in these amounts are approximately 532 thousand square feet that are either vacant or sublet.

Denali s principal executive offices and Dell s global headquarters are located at One Dell Way, Round Rock, Texas. At January 29, 2016, Dell s business centers, which include facilities that contain operations for sales, technical support, administrative and support functions, occupy 12 million square feet of space, of which Dell owned 47%. At the same date, Dell s manufacturing operations occupied 2.5 million square feet of manufacturing space, of which Dell owned 86%. In addition, at January 29, 2016, Dell s research and development centers were housed in 2.8 million square feet of space, of which Dell owned 55%.

Dell believes that its existing properties are suitable and adequate for its current needs and that it can readily meet its requirements for additional space at competitive rates by extending expiring leases or by finding alternative space.

Because of the interrelation of the products and services offered in each of Dell s segments, Dell does not designate its properties to any segment. With limited exceptions, each property is used at least in part by all of Dell s segments, and Dell retains the flexibility to make future use of each of the properties available to each of the segments.

Legal Proceedings

Denali and Dell are involved in various claims, suits, assessments, investigations and legal proceedings that arise from time to time in the ordinary course of business, consisting of matters involving consumer, antitrust, tax, intellectual property and other issues on a global basis. Information about their significant legal matters and other proceedings is set forth under Note 11 of the Notes to the Audited Consolidated Financial Statements of Denali included in this proxy statement/prospectus.

Divestitures

On March 27, 2016, Denali entered into a definitive agreement with NTT Data International L.L.C. to sell Dell Services for cash consideration of approximately $3.1 billion. The pro forma financial information included elsewhere in this proxy statement/prospectus reflects adjustments relating to this divestiture. Denali expects that it may divest certain other business lines, assets, equity interests or properties of Denali and EMC, as yet to be determined. Proceeds from the Dell Services divestiture or other future divestitures may be used, among other purposes, to repay indebtedness incurred in connection with the merger. Such divestitures may be material to each company s financial condition and results of operations. As of the date of this proxy statement/prospectus, there is no commitment or probable transaction related to these potential divestitures, and the manner in which any potential divestitures might be effected has not been determined. Accordingly, the pro forma financial information included elsewhere in this proxy statement/prospectus does not reflect any adjustments relating to such divestitures.

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STOCKHOLDER MATTERS

Market Information

Denali is a privately held company. Its securities are not listed on an exchange or quoted on any automated quotation service, and there is no established trading market for its securities.

As of May 15, 2016, there were 306,528,252 shares of Series A Common Stock outstanding and 40 record holders of Series A Common Stock, 98,181,818 shares of Series B Common Stock outstanding and five record holders of Series B Common Stock, and 322,397 shares of Series C Common Stock outstanding and 20 record holders of Series C Common Stock. Under the Denali certificate that Denali will adopt in connection with the merger, Denali s authorized capital stock will consist of 2,143,025,308 shares of common stock, par value $0.01 per share, and 1,000,000 shares of preferred stock, par value $0.01 per share. There will be five series of authorized common stock, consisting of 600,000,000 shares of Class A Common Stock, 200,000,000 shares of Class B Common Stock, 900,000,000 shares of Class C Common Stock, 100,000,000 shares of Class D Common Stock and 343,025,308 shares of Class V Common Stock.

Denali has never declared or paid any cash dividends on its capital stock and presently does not intend to pay cash dividends on the Class A, Class B, Class C or Class D common stock after the merger. See *Description of Denali Tracking Stock Policy Dividend Policy* for information about payment of dividends on the Class V Common Stock.

Because there is no established trading market for the Class V Common Stock, price information for the shares of Class V Common Stock is not available as of the date of this proxy statement/prospectus or as of the date immediately prior to the public announcement of the merger.

See *Security Ownership of Certain Beneficial Owners and Management* for information about beneficial ownership of Denali s outstanding equity securities by its directors, officers and greater than 5% beneficial owners, both prior to the merger and after giving effect to the merger.

Equity Compensation Plan Information

The following table provides information about stock-based awards outstanding and shares of common stock available for future awards under all of Denali s equity compensation plans as of January 29, 2016. See *Executive Compensation* for information about compensation arrangements expected to be adopted by the combined company in connection with the merger.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) (1)	Weighted-average exercise price of outstanding options, warrants and rights (b) (2)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))

				(c) (3)
		(In thousands, except per share data)		
Equity compensation plans approved by security holders	54,352,119(1)	$	14.27	16,994,887(2)
Equity compensation plans not approved by security holders				
Total	54,352,119(1)	$	14.27	16,994,887(2)

(1) Represents shares of Series C Common Stock issuable upon the exercise of options granted by Denali under the Denali Holding Inc. 2013 Stock Incentive Plan, as well as options granted by Dell Inc. prior to the going-private transaction that were assumed by Denali upon the closing of the going-private transaction.

(2) Represents shares that remain available for issuance under the Denali Holding Inc. 2013 Stock Incentive Plan.

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MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF DENALI

On October 29, 2013, Dell was acquired by Denali in a going-private transaction. For purposes of this management s discussion and analysis and the historical consolidated financial statements and related notes of Denali included elsewhere in this proxy statement/prospectus, periods prior to October 29, 2013 reflect the financial position, results of operations and changes in financial position of Dell prior to the going-private transaction, referred to as the predecessor periods (with our company during such periods referred to as the Predecessor), and periods beginning on or after October 29, 2013 reflect the financial position, results of operations and changes in financial position of Denali subsequent to the going-private transaction, referred to as the successor periods (with our company during such periods referred to as the Successor).

This management s discussion and analysis should be read in conjunction with the Denali Unaudited Pro Forma Condensed Combined Financial Statements, Selected Historical Consolidated Financial Data of Denali and the Audited Consolidated Financial Statements and related notes of Denali included elsewhere in this proxy statement/prospectus. In addition to historical financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs, and that are subject to numerous risks and uncertainties, including, but not limited to, those described in the Risk Factors section of this proxy statement/prospectus. Our actual results may differ materially from those expressed or implied in any forward-looking statements.

Unless otherwise indicated, all changes identified for the current-period results represent comparisons to results for the prior corresponding fiscal periods. Our fiscal year is the 52- or 53-week period ending on the Friday nearest January 31. We refer to our fiscal years ended January 29, 2016, January 30, 2015, and January 31, 2014 as Fiscal 2016, Fiscal 2015, and Fiscal 2014, respectively. Each of these fiscal years includes 52 weeks. Unless the context indicates otherwise, references in this management s discussion and analysis to we, us, our, Denali, and Denali Holding mean Denali Holding Inc. and its consolidated subsidiaries and references to Dell mean Dell Inc. and Dell Inc. s consolidated subsidiaries.

The following management s discussion and analysis of our financial condition and results of operations covers Fiscal 2016 and Fiscal 2015 and the combined results for the 2014 predecessor and successor periods, adjusted for pro forma items directly associated with the going-private transaction to give effect to that transaction as if it had occurred on the first day of Fiscal 2014, referred to as pro forma Fiscal 2014. These pro forma Fiscal 2014 results are unaudited. We believe the presentation of a twelve-month period on a pro forma basis for our 2014 fiscal year is meaningful to the reader and more useful for comparative purposes than any alternative presentation.

INTRODUCTION

We are a leading provider of scalable IT solutions enabling customers to be more efficient, mobile, informed and secure. We built our reputation through listening to customers and developing solutions that meet their needs. Several years ago, we initiated a broad transformation of our company to become the leading provider of scalable information technology solutions. We are positioned to help customers of any size with the essential infrastructure to modernize IT and enable digital business, differentiated by our practical innovation and efficient, simple, and affordable solutions. Our announcement in October 2015 of our agreement to combine with EMC evidences our intention to accelerate this strategy over the coming years as we bring together two companies with complementary product portfolios, sales teams and research and development strategies. See *The EMC Merger Transaction* below for additional information. We will continue to build superior customer relationships through our direct model and through our network of channel partners, which includes value-added resellers, system integrators, distributors and retailers. We believe we can react quickly to customer needs, invest in strategic solutions and expand our go-to-market sales and marketing capabilities. We will continue to build strong capabilities to create a leading global technology company poised for long-term sustainable growth and innovation.

A key component of our strategic transformation is to continue shifting our product and solutions portfolio to offerings that provide higher-value and recurring revenue streams over time. As part of this strategy, we are continuing to expand and enhance our offerings through acquisitions and strategic investments that will complement our existing portfolio of solutions. As we innovate to make our customers existing IT increasingly productive, we help them reinvest their savings into the next generation of technologies that they need to succeed in the digital economy of a hyper-connected world. These solutions include digital transformation, software-defined data centers, hybrid cloud, converged and hyper-converged infrastructure, mobile and security. In addition, our extended warranty and delivery offerings, and software and peripherals, which are closely tied to the sale of our hardware products, are important value differentiators that we are able to offer our customers. Our Client Solutions offerings are an important element of our strategy, and we believe the strategic expansion of this business is critical to our long-term success.

We operate a diversified business model with the majority of our net revenue and operating income derived from commercial clients (large enterprises, small and medium-sized businesses, and public sector customers). We have a large global presence across the Americas, Europe, Middle East, Asia and other geographic regions, with approximately 50% of revenue coming from customers outside of the United States during Fiscal 2016. We continue to view emerging markets, which include the vast majority of the world s population, as a long-term growth opportunity. Accordingly, we continue to pursue the development of technology solutions that meet the needs of these markets.

Products and Services

We design, develop, manufacture, market, sell and support a wide range of products and services. We are organized into the following four product and services business units, which are our reportable segments: Client Solutions; Enterprise Solutions Group; Dell Software Group; and Dell Services.

Client Solutions Client Solutions includes sales to our commercial and consumer customers of desktops, notebooks, thin clients, and third-party software and peripherals and services closely tied to the sale of Client Solutions hardware. Generally, over half of Client Solutions revenue is generated in the Americas, with the remaining portion derived from sales in Europe, the Middle East and Africa, referred to as EMEA, and Asia Pacific and Japan, referred to as APJ.

Enterprise Solutions Group (ESG) ESG includes servers, networking and storage, as well as services and third-party software and peripherals that are closely tied to the sale of ESG hardware. Generally, over half of ESG revenue is generated in the Americas, with the remaining portion derived from sales in EMEA and APJ.

Dell Software Group (DSG) DSG includes systems management, security software solutions and information management software offerings. DSG revenue is primarily derived from sales in the Americas and EMEA.

Dell Services Dell Services includes a broad range of IT and business services, including infrastructure, cloud, applications, and business process services. Dell Services revenue is mostly generated in the Americas, primarily in the United States.

In the first quarter of Fiscal 2016, we redefined the categories within Client Solutions and ESG to reflect the way we currently organize products and services within these business units. None of these changes impacted our consolidated or total business unit results. Prior period amounts have been reclassified to conform to the current year presentation. See Note 15 of the Notes to the Audited Consolidated Financial Statements of Denali for a reconciliation of net revenue by reportable segment to consolidated net revenue.

We also offer or arrange various financing options and services for our commercial and consumer customers in the United States, Canada, Europe and Mexico through DFS and its affiliates. DFS services include originating, collecting, and servicing customer receivables primarily related to the purchase of Dell products. The results of these operations are allocated to our segments based on the underlying product or service financed.

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SecureWorks, a consolidated subsidiary of Dell and Denali, is a leading global provider of intelligence-driven information security solutions exclusively focused on protecting customers from cyber attacks. On April 27, 2016, SecureWorks completed a registered initial public offering of its Class A common stock. The results of the SecureWorks operations are recorded in Corporate.

For further discussion regarding our reportable segments, see *Results of Operations Product and Services Business Units.*

Business Trends and Challenges

We are seeing an unprecedented rate of change in the IT industry, but our strategy remains consistent. As a leading provider of scalable end-to-end technology solutions, we accelerate results for our customers by enabling them to be more efficient, mobile, informed and secure. We continue to invest in R&D, sales and other key areas of our business to deliver superior products and solution capabilities and to drive execution of long-term profitable growth. We believe that our results will improve over time in connection with the productivity initiatives directed at our salesforce and as a result of our differentiated products and solution capabilities. We intend to continue to execute on our business model and seek to balance liquidity, profitability and growth to position our company for long-term success.

We are able to leverage our traditional strength in the PC market to offer solutions and services that provide higher value recurring revenue streams. Revenue generated from our Client Solutions business unit was 65%, 68%, and 68% of total net revenue for Fiscal 2016, Fiscal 2015, and pro forma Fiscal 2014, respectively. We anticipate an increasingly challenging demand environment, increased pricing pressures, and intensifying market competition in Client Solutions, given the macroeconomic environment and PC demand trends. However, we are committed to a long-term growth strategy that will benefit from the consolidation trends that are occurring in the market. Our Client Solutions offerings remain an important element of our strategy, generating strong cash flow and opportunities for cross-selling of complementary solutions.

In addition, we expect our ESG business to continue to be impacted by declines in the traditional storage market, even as we continue to develop new solutions. We also continue to be impacted by the emerging trends of enterprises deploying software defined storage, hyper-converged, and modular solutions based on server-centric architectures. We are seeking to combine with EMC to complement our current offerings within this business unit and to strengthen our overall data center offerings.

We manage our business on a U.S. dollar basis, but a significant portion of our revenue is earned from international sources and, therefore, can be impacted by fluctuations in foreign currency exchange rates. The strength of the U.S. dollar relative to most foreign currencies continued during Fiscal 2016, which contributed to a challenging pricing and demand environment. We utilize a comprehensive hedging strategy intended to mitigate the impact of foreign currency volatility over time, and we adjust pricing when possible to further minimize foreign currency impacts.

The EMC Merger Transaction

On October 12, 2015, EMC, Denali, Dell, and Merger Sub entered into the merger agreement pursuant to which Merger Sub will be merged with and into EMC, with EMC surviving the merger as a wholly owned subsidiary of Denali.

Subject to the terms and conditions of the merger agreement, at the effective time of the merger, each share of EMC common stock issued and outstanding immediately prior to the effective time of the merger (other than shares owned by Denali, Merger Sub, EMC, or any of EMC s wholly owned subsidiaries, and other than shares with respect to which

EMC s shareholders are entitled to and properly exercise appraisal rights) automatically will be converted into the right to receive the merger consideration, consisting of (1) $24.05 in cash, without interest, and (2) a number of validly issued, fully paid and non-assessable shares of Class V Common Stock equal to the quotient (rounded to the nearest five decimal points) obtained by dividing (A) 222,966,450 by (B) the aggregate number of shares of EMC common stock issued and outstanding immediately prior to the effective time of the merger, plus cash in lieu of any fractional shares.

The merger agreement provides that each currently outstanding EMC stock option will vest and become fully exercisable for a reasonable period of time prior to the vesting effective time of the merger. Each EMC stock option that remains outstanding immediately prior to the vesting effective time of the merger will be automatically exercised immediately prior to the vesting effective time of the merger on a net exercise basis, such that shares of EMC common stock with a value equal to the aggregate exercise price and applicable tax withholding will reduce the number of shares of EMC common stock otherwise issuable. Each such holder of a net exercised EMC stock option will thereafter be entitled to receive the merger consideration with respect to the whole net number of shares of EMC common stock issued upon such net exercise, together with cash in lieu of any fractional shares of EMC common stock. The merger agreement also provides that immediately prior to the vesting effective time of the merger each currently outstanding EMC restricted stock unit and share of EMC restricted stock will fully vest (with performance vesting units vesting at the target level of performance) and the holder will become entitled to receive the merger consideration with respect to the whole net number of shares of EMC common stock subject to the award (which will be calculated net of the number of shares withheld in respect of taxes upon the vesting of the award), together with cash in lieu of any fractional shares of EMC common stock. The merger agreement provides that Denali may agree with individual award recipients to different equity treatment. No such agreements were in effect as of the date of this proxy statement/prospectus.

Also, in connection with the merger, all principal, accrued but unpaid interest, fees and other amounts (other than certain contingent obligations) outstanding at the effective time of the merger under EMC s unsecured revolving credit facility, Dell International s asset-based revolving credit facility and Dell International s term facilities will be repaid in full substantially concurrently with the closing and all commitments to lend and guarantees and security interests, as applicable, in connection therewith will be terminated and/or released. In connection with the merger, Dell expects that the aggregate amounts of principal, interest and premium necessary to redeem in full the outstanding $1.4 billion in aggregate principal amount of 5.625% Senior First Lien Notes due 2020 co-issued by Dell International and Denali Finance Corp. will be deposited with the trustee for such notes, and that such notes will thereby be satisfied and discharged, substantially concurrently with the effective time of the merger. Dell further expects that all of Dell s and EMC s other outstanding senior notes and senior debentures will remain outstanding after the effective time of the merger in accordance with their respective terms.

Denali expects to finance the merger, the refinancing of certain of Dell International s and EMC s indebtedness outstanding as of the closing of the merger, and the payment of related fees and expenses with up to $49.5 billion from debt financings and up to $4.25 billion of committed equity financing.

Other than the recognition of certain expenses related to the pending merger, there was no impact of the merger on the Audited Consolidated Financial Statements of Denali.

Going-Private Transaction

On October 29, 2013, Dell was acquired by Denali in a merger transaction pursuant to an agreement and plan of merger, dated as of February 5, 2013, as amended. Denali is a Delaware corporation owned by Michael S. Dell and a separate property trust for the benefit of Mr. Dell s wife, investment funds affiliated with Silver Lake Partners, the MSD Partners stockholders, and certain members of Dell s management. Mr. Dell serves as Chairman and Chief

Executive Officer of Denali and Dell. See Note 1 and Note 3 of the Notes to the Audited Consolidated Financial Statements of Denali for more information about the going-private transaction.

NON-GAAP FINANCIAL MEASURES

In this management s discussion and analysis we use supplemental measures of our performance which are derived from our consolidated financial information but which are not presented in our consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP. These non-GAAP financial measures include non-GAAP product revenue, non-GAAP services revenue, non-GAAP revenue, non-GAAP product gross margin, non-GAAP services gross margin, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income, non-GAAP earnings per share diluted, earnings before interest and other, net, taxes, depreciation and amortization, referred to as EBITDA, and adjusted EBITDA.

We use non-GAAP financial measures to supplement financial information presented on a GAAP basis. We believe that excluding certain items from our GAAP results allows management to better understand our consolidated financial performance from period to period and better project our future consolidated financial performance as forecasts are developed at a level of detail different from that used to prepare GAAP-based financial measures. Moreover, we believe these non-GAAP financial measures will provide our stakeholders with useful information to help them evaluate our operating results by facilitating an enhanced understanding of our operating performance and enabling them to make more meaningful period to period comparisons.

In particular, we have excluded the impact of purchase accounting adjustments related to the going-private transaction. The going-private transaction was recorded using the acquisition method of accounting in accordance with the accounting guidance for business combinations. This guidance prescribes that the purchase price be allocated to assets acquired and liabilities assumed based on the estimated fair value of such assets and liabilities on the date of the transaction. All of our assets and liabilities were accounted for and recognized at fair value as of the transaction date, and the fair value adjustments are being amortized over the estimated useful lives in the periods following the transaction, while the ongoing business and operations did not change. As a result, we believe that excluding these adjustments provides results that are useful in understanding our operating performance, and aligns with how we manage our business. Excluding these adjustments also provides for more comparable operating results over the periods presented.

There are limitations to the use of the non-GAAP financial measures presented in this report. Our non-GAAP financial measures may not be comparable to similarly titled measures of other companies. Other companies, including companies in our industry, may calculate non-GAAP financial measures differently than we do, limiting the usefulness of those measures for comparative purposes.

Non-GAAP product revenue, non-GAAP services revenue, non-GAAP revenue, non-GAAP product gross margin, non-GAAP services gross margin, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income, and non-GAAP earnings per share diluted, as defined by us, exclude the following items: the impact of purchase accounting, amortization of intangible assets, other corporate expenses, and for non-GAAP net income and non-GAAP earnings per share, an aggregate adjustment for income taxes. As the excluded items have a material impact on our financial results, our management compensates for this limitation by relying primarily on GAAP or pro forma results and using non-GAAP financial measures supplementally or for projections when comparable GAAP financial measures are not available. The non-GAAP financial measures are not meant to be considered as indicators of performance in isolation from or as a substitute for revenue, gross margin, operating expenses, operating income, or net income prepared in accordance with GAAP, and should be read only in conjunction with financial information presented on a GAAP or, for Fiscal 2014, pro forma basis. For comparative purposes, we have presented pro forma Fiscal 2014 operating results, giving effect to the going-private transaction as if it had occurred on the first day of Fiscal 2014. See *Results of Operations Dell s Going-Private Transaction* for more information on pro forma Fiscal 2014. Reconciliations of each non-GAAP financial measure to its most directly comparable GAAP or pro forma financial measure are presented below. We encourage you to review the reconciliations in conjunction with the presentation of the non-GAAP financial measures for each of the periods presented. See the discussion below for more information on each of the excluded items as well as our reasons for excluding them from our non-GAAP results. In future fiscal periods, we may exclude such items and may incur income and expenses similar to these excluded items. Accordingly, the exclusion of these items and other similar items in our non-GAAP presentation should not be interpreted as implying that these items are non-recurring, infrequent, or unusual.

The following is a summary of the items excluded from the most comparable GAAP or pro forma financial measures to calculate our non-GAAP financial measures:

Impact of Purchase Accounting The impact of purchase accounting includes purchase accounting adjustments recorded under the acquisition method of accounting, related to the going-private transaction. Purchase accounting adjustments primarily include fair value adjustments made to deferred revenue, inventory and property, plant, and equipment which are recorded over time. During pro forma Fiscal 2014, purchase accounting adjustments also include a provision charge on customer receivables recorded on October 29, 2013, amortization of fair value adjustments on customer shipments in transit, and compensation costs related to cash settlement of employee stock options, triggered by the going-private transaction. See Notes 1 and 3 of the Notes to the Audited Consolidated Financial Statements of Denali for more information on the going-private transaction. We exclude these charges for purposes of calculating the non-GAAP financial measures presented below to facilitate a more meaningful evaluation of our current operating performance and comparisons to our past operating performance.

Amortization of Intangible Assets Amortization of intangible assets consists of amortization of customer relationships, developed technology, and trade names. We incur charges related to the amortization of these intangibles, which are included in our consolidated financial statements. In connection with the going-private transaction, all of Denali s tangible and intangible assets and liabilities were accounted for and recognized at fair value on the transaction date. Accordingly, for the successor periods, amortization of intangible assets consists primarily of amortization associated with intangible assets recognized in connection with the going-private transaction. Amortization charges for purchased intangible assets are significantly impacted by the timing and magnitude of our acquisitions, and these charges may vary in amount from period to period. We exclude these charges for purposes of calculating the non-GAAP financial measures presented below to facilitate a more meaningful evaluation of our current operating performance and comparisons to our past operating performance.

Other Corporate Expenses Other corporate expenses consists of the following items:

- Severance and facility action costs primarily related to severance and benefits for employees terminated pursuant to cost savings initiatives.

- Acquisition-related charges which are expensed as incurred and consist primarily of retention payments, integration costs, and other costs. This includes costs related to the merger.

- Stock-based compensation expense associated with equity awards.

- Costs related to the going-private transaction.

Other corporate expenses vary from period to period and are significantly impacted by the timing and nature of these events. Therefore, although we may incur these types of expenses in the future, we believe that eliminating these charges for purposes of calculating the non-GAAP financial measures presented below facilitates a more meaningful evaluation of our current operating performance and comparisons to our past operating performance.

In addition, pro forma Fiscal 2014 net income includes a $204 million valuation allowance on deferred tax assets for one of our foreign jurisdictions. We are excluding this valuation allowance on deferred tax assets described above for the purpose of calculating the non-GAAP net income financial measure presented below because we believe this adjustment is outside our ordinary course of business and does not contribute to a meaningful evaluation of our current operating performance or comparisons to our past operating performance.

Aggregate Adjustment for Income Taxes The aggregate adjustment for income taxes is the estimated combined income tax effect for the adjustments mentioned above. The tax effects are determined based on the tax jurisdictions where the above items were incurred.

Non-GAAP Adjustments Per Share This financial measure shows the cumulative impact of the above adjustments on earnings per share diluted.

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Fiscal 2016 compared to Fiscal 2015 and Fiscal 2015 compared to Pro Forma Fiscal 2014

The tables below presents a reconciliation of each non-GAAP financial measure to the most comparable GAAP or, for Fiscal 2014, pro forma, measure for each of the periods presented:

	Fiscal Year Ended				
	Successor January 29, 2016	% Change	Successor January 30, 2015	% Change	Pro Forma January 31, 2014
	(in millions, except percentages)				
Product net revenue	$ 43,317	(7)%	$ 46,690	6%	$ 44,004
Non-GAAP adjustments:					
Impact of purchase accounting	1		23		151
Non-GAAP product net revenue	$ 43,318	(7)%	$ 46,713	6%	$ 44,155
Services net revenue	$ 11,569	1%	$ 11,429	(1)%	$ 11,575
Non-GAAP adjustments:					
Impact of purchase accounting	505		953		1,071
Non-GAAP services net revenue	$ 12,074	(2)%	$ 12,382	(2)%	$ 12,646
Net revenue	$ 54,886	(6)%	$ 58,119	5%	$ 55,579
Non-GAAP adjustments:					
Impact of purchase accounting	506		976		1,222
Non-GAAP net revenue	$ 55,392	(6)%	$ 59,095	4%	$ 56,801
Product gross margin	$ 5,394	(14)%	$ 6,275	22%	$ 5,134
Non-GAAP adjustments:					
Impact of purchase accounting	59		119		866
Amortization of intangibles	483		466		459
Other corporate expenses	10		24		123
Non-GAAP product gross margin	$ 5,946	(14)%	$ 6,884	5%	$ 6,582
Services gross margin	$ 4,438	13%	$ 3,933	11%	$ 3,558
Non-GAAP adjustments:					
Impact of purchase accounting	453		906		1,097
Amortization of intangibles					
Other corporate expenses	13		24		4
Non-GAAP services gross margin	$ 4,904	1%	$ 4,863	4%	$ 4,659
Gross margin	$ 9,832	(4)%	$ 10,208	17%	$ 8,692

Non-GAAP adjustments:					
Impact of purchase accounting	512		1,025		1,963
Amortization of intangibles	483		466		459
Other corporate expenses	23		48		127
Non-GAAP gross margin	$ 10,850	(8)%	$ 11,747	5%	$ 11,241

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	Fiscal Year Ended				
	Successor January 29, 2016	% Change	Successor January 30, 2015	% Change	Pro Forma January 31, 2014
	(in millions, except percentages)				
Operating expenses	$ 10,215	(4)%	$ 10,630	(7)%	$ 11,489
Non-GAAP adjustments:					
Impact of purchase accounting	(104)		(91)		(157)
Amortization of intangibles	(1,706)		(1,833)		(1,874)
Other corporate expenses	(194)		(152)		(710)
Non-GAAP operating expenses	$ 8,211	(4)%	$ 8,554	(2)%	$ 8,748
Operating loss	$ (383)	9%	$ (422)	85%	$ (2,797)
Non-GAAP adjustments:					
Impact of purchase accounting	616		1,116		2,120
Amortization of intangibles	2,189		2,299		2,333
Other corporate expenses	217		200		837
Non-GAAP operating income	$ 2,639	(17)%	$ 3,193	28%	$ 2,493
Net loss	$ (1,104)	10%	$ (1,221)	63%	$ (3,324)
Non-GAAP adjustments:					
Impact of purchase accounting	616		1,122		2,088
Amortization of intangibles	2,189		2,299		2,333
Other corporate expenses	211		202		1,041
Aggregate adjustment for income taxes	(558)		(732)		(1,075)
Non-GAAP net income	$ 1,354	(19)%	$ 1,670	57%	$ 1,063
Earnings (loss) per share diluted	$ (2.73)	10%	$ (3.02)	63%	$ (8.23)
Non-GAAP adjustments per share diluted	6.03		7.15		10.86
Non-GAAP earnings per share diluted	$ 3.30	(20)%	$ 4.13	57%	$ 2.63

In addition to the above measures, we also use EBITDA and adjusted EBITDA to facilitate a more meaningful evaluation of our operating performance. Adjusted EBITDA excludes purchase accounting adjustments related to the going-private transaction, severance and facility actions, acquisition-related costs, stock-based compensation expense, and the costs related to the going-private transaction. EBITDA and adjusted EBITDA provide more comparability between our historical results prior to the completion of the going-private transaction and historical results that reflect our capital structure upon completion of the going-private transaction.

As is the case with the non-GAAP measures presented above, users should consider the limitations of using EBITDA and adjusted EBITDA, including the fact that those measures do not provide a complete measure of our operating performance. EBITDA and adjusted EBITDA do not purport to be alternatives to net income as measures of operating performance or to cash flows from operating activities as a measure of liquidity. In particular, EBITDA and adjusted EBITDA are not intended to be a measure of free cash flow available for management s discretionary use, as these measures do not consider certain cash requirements, such as working capital needs, capital expenditures, contractual commitments, interest payments, tax payments, and other debt service requirements.

In deriving adjusted EBITDA, we have excluded the impact of purchase accounting related to the going-private transaction. We believe that due to the non-cash impact of the purchase accounting entries, it is appropriate to exclude these adjustments as they do not reflect our true operating performance.

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Our management believes that these non-GAAP financial measures are helpful in highlighting trends because they exclude the results of decisions that are outside the control of operating management and that can differ significantly from company to company depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate, and capital investments.

The table below presents a reconciliation of EBITDA and adjusted EBITDA to net income (loss) for the periods presented:

	Fiscal Year Ended				
	Successor January 29, 2016	% Change	Successor January 30, 2015	% Change	Pro Forma January 31, 2014
	(in millions, except percentages)				
Net income (loss)	$ (1,104)	10%	$ (1,221)	63%	$ (3,324)
Adjustments:					
Interest and other, net (a)	792		924		872
Income tax provision (benefit)	(71)		(125)		(345)
Depreciation and amortization	2,872		2,977		2,991
EBITDA	$ 2,489	(3)%	$ 2,555	NM	$ 194
EBITDA	$ 2,489	(3)%	$ 2,555	NM	$ 194
Adjustments:					
Stock based compensation expense	72		72		135
Impact of purchase accounting (b)	494		1,011		2,010
Other corporate expenses (c)	145		128		748
Adjusted EBITDA	$ 3,200	(15)%	$ 3,766	22%	$ 3,087

(a) See *Results of Operations Interest and Other, Net* for more information on the components of interest and other, net.
(b) This amount includes the non-cash purchase accounting adjustments related to the going-private transaction.
(c) Consists of severance and facility action costs, acquisition-related costs, and the costs related to the going-private transaction.

RESULTS OF OPERATIONS

Dell s Going-Private Transaction

The going-private transaction was recorded using the acquisition method of accounting in accordance with the accounting guidance for business combinations. This guidance prescribes that the purchase price be allocated to assets acquired and liabilities assumed based on the estimated fair value of such assets and liabilities on the date of the transaction. All of our assets and liabilities were accounted for and recognized at fair value as of the transaction date. Accordingly, periods prior to October 29, 2013 reflect the financial position, results of operations, and changes in financial position of Dell prior to the going-private transaction, referred to as the predecessor periods (with our company referred to as the Predecessor entity during such periods), and the periods beginning on or after October 29, 2013 reflect the financial position, results of operations and changes in financial position of Denali Holding Inc. and its consolidated subsidiaries subsequent to the going-private transaction, referred to as the successor periods (with our company referred to as the Successor entity during such periods). Included in the results for the successor periods is the impact of purchase accounting adjustments, primarily related to deferred revenue, and an increase in amortization expense for intangible assets.

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The following tables provide unaudited pro forma results of operations for the fiscal year ended January 31, 2014 as if the going-private transaction had occurred at the beginning of the fiscal year ended January 31, 2014. The impact of the fair value adjustments related to deferred revenue and intangible assets and the impact of interest expense on borrowings are the primary items impacting comparability between the Fiscal 2014 predecessor and successor periods.

	As Reported					
	Successor	Predecessor	Subtotal	Adjustments		Pro Forma
	October 29, 2013 through January 31, 2014	February 2, 2013 through October 28, 2013	Fiscal Year Ended January 31, 2014	Going-private transaction	Notes	Fiscal Year Ended January 31, 2014
	(in millions)					
Net revenue:						
Products	$ 11,253	$ 32,786	$ 44,039	$ (35)	(1)(2)	$ 44,004
Services, including software related	2,822	9,516	12,338	(763)	(2)	11,575
Total net revenue	14,075	42,302	56,377	(798)		55,579
Cost of net revenue:						
Products	10,695	28,150	38,845	25	(1)(3)(4)(6)	38,870
Services, including software related	1,987	6,161	8,148	(131)	(3)(4)(5)(9)	8,017
Total cost of net revenue	12,682	34,311	46,993	(106)		46,887
Gross margin	1,393	7,991	9,384	(692)		8,692
Operating expenses:						
Selling, general, and administrative	2,863	6,528	9,391	822	(3)(4)(6)	10,213
Research, development, and engineering	328	945	1,273	3	(3)(4)	1,276
Total operating expenses	3,191	7,473	10,664	825		11,489
Operating income (loss)	(1,798)	518	(1,280)	(1,517)		(2,797)
Interest and other, net	(204)	(198)	(402)	(470)	(7)(10)	(872)
Income before income taxes	(2,002)	320	(1,682)	(1,987)		(3,669)
Income tax provision (benefit)	(390)	413	23	(368)	(8)	(345)
Net income (loss)	$ (1,612)	$ (93)	$ (1,705)	$ (1,619)		$ (3,324)

(1) Reflects the impact on the products net revenue and cost of net revenue as if the purchase accounting was applied to financing receivables as of the first day in the period. The adjustment reflects amortization of the financing receivables fair value adjustment over the three year weighted average useful life of the loan portfolio.
(2) Reflects the decrease in products and services net revenue to illustrate the effects of the going-private transaction. The adjustment represents the amortization of the deferred revenue fair value adjustment over the estimated useful life of one to three years.
(3) Reflects the impact on depreciation and amortization as if purchase accounting was applied to property, plant and equipment and purchased intangible assets as of the first day in the period.
(4) Reflects the impact to compensation expense related to replacement of share-based compensation awards.
(5) Reflects the impact on services cost of net revenue as if purchase accounting was applied to extended warranty liability as of the first day in the period. The adjustment reflects amortization related to the fair value adjustment over the estimated useful life of 2.5 years.
(6) Represents the transaction costs related to the going-private transaction, included in the historical results, as these expenses are non-recurring and are not expected to have a continuing impact.

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(7) Reflects interest expense and income resulting from our new capital structure, including acquisition-related debt upon closing the going-private transaction and extinguishment of existing debt.
(8) Reflects the tax effect of the pro forma adjustments. The tax effect pro forma adjustments for the going-private transaction were calculated utilizing blended tax rates. We operate in multiple jurisdictions, and therefore the adjustments were tax-affected based on marginal tax rates of the related jurisdictions, which resulted in a higher tax rate for the pro forma adjustments compared to the historical rate.
(9) Reflects the write-off of deferred cost of net revenue primarily related to the Dell Services business unit.
(10) Reflects the impact of adjusting for the mark to market of post-going-private transaction de-designated cash flow hedges.

Summary of Pro Forma Adjustments for Results of Operations for Fiscal Year Ended January 31, 2014

	(in millions)
Net revenue:	
Products	**$ (35)**
(1) Amortization of financing receivables adjustment	(33)
(2) Amortization of deferred revenue adjustment	(2)
Services, including software related	**(763)**
(2) Amortization of deferred revenue adjustment	(763)
Cost of net revenue:	
Products	**25**
(1) Amortization of financing receivables adjustment	28
(3) Amortization of property, plant, and equipment and intangibles adjustments	17
(4) Impact to compensation expense	(14)
(6) Costs related to the going-private transaction	(6)
Services, including software related	**(131)**
(3) Amortization of property, plant, and equipment and intangibles adjustments	(86)
(4) Impact to compensation expense	(3)
(5) Amortization of warranty liability adjustment	(27)
(9) Write-off of deferred cost of net revenue	(15)
Operating expenses:	
Selling, general, and administrative	**822**
(3) Amortization of property, plant, and equipment and intangibles adjustments	1,296
(4) Impact to compensation expense	(105)
(6) Costs related to the going-private transaction	(369)
Research, development, and engineering	**3**
(3) Amortization of property, plant, and equipment and intangibles adjustments	11
(4) Impact to compensation expense	(8)
Interest and other, net	**(470)**
(7) Interest expense and income resulting from new capital structure	(464)
(10) Mark to market adjustment of de-designated cash flow hedges	(6)

Income tax provision / (benefit)	**(368)**
(8) Cumulative tax effect of pro forma adjustments	(368)

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Consolidated Operations

Fiscal 2016 compared to Fiscal 2015 and Fiscal 2015 compared to Pro Forma Fiscal 2014

The following management s discussion and analysis of our financial condition and results of operations covers Fiscal 2016 and Fiscal 2015 and the combined results for the 2014 predecessor and successor periods, adjusted for pro forma items directly associated with the going-private transaction to give effect to that transaction as if it had occurred on the first day of Fiscal 2014, referred to as pro forma Fiscal 2014. These pro forma Fiscal 2014 results are unaudited. We believe the presentation of a twelve-month period on a pro forma basis for our 2014 fiscal year is meaningful to the reader and more useful for comparative purposes than any alternative presentation.

We have also presented pro forma Fiscal 2014 on a non-GAAP basis, referred to as non-GAAP pro forma Fiscal 2014, as we believe this presentation facilitates an enhanced understanding of our operating performance and enables more meaningful period-to-period comparisons.

The following table summarizes our consolidated results of operations for each of the periods presented:

	Fiscal Year Ended							
	Successor January 29, 2016			Successor January 30, 2015			Pro Forma January 31, 2014	
	Dollars	% of Revenue	% Change	Dollars	% of Revenue	% Change	Dollars	% of Revenue
	(in millions, except percentages)							
Net revenue:								
Product	$ 43,317	78.9%	(7)%	$ 46,690	80.3%	6%	$ 44,004	79.2%
Services, including software related	11,569	21.1%	1%	11,429	19.7%	(1)%	11,575	20.8%
Total net revenue	$ 54,886	100.0%	(6)%	$ 58,119	100.0%	5%	$ 55,579	100.0%
Gross margin:								
Product	$ 5,394	12.5%	(14)%	$ 6,275	13.4%	22%	$ 5,134	11.7%
Services, including software related	4,438	38.4%	13%	3,933	34.4%	11%	3,558	30.7%
Total gross margin	$ 9,832	17.9%	(4)%	$ 10,208	17.6%	17%	$ 8,692	15.6%
Operating expenses	$ 10,215	18.6%	(4)%	$ 10,630	18.3%	(7)%	$ 11,489	20.7%
Operating income (loss)	$ (383)	(0.7)%	9%	$ (422)	(0.7)%	85%	$ (2,797)	(5.0)%
Net income (loss)	$ (1,104)	(2.0)%	10%	$ (1,221)	(2.1)%	63%	$ (3,324)	(6.0)%
Earnings (loss) per share diluted	$ (2.73)	N/A	10%	(3.02)	N/A	63%	(8.23)	N/A
Other Financial Information								
Non-GAAP revenue	$ 55,392	N/A	(6)%	$ 59,095	N/A	4%	$ 56,801	N/A
Non-GAAP gross margin	$ 10,850	19.6%	(8)%	$ 11,747	19.9%	5%	$ 11,241	19.8%

Non-GAAP operating expenses	$	8,211	14.8%	(4)%	$	8,554	14.5%	(2)%	$	8,748	15.4%
Non-GAAP operating income	$	2,639	4.8%	(17)%	$	3,193	5.4%	28%	$	2,493	4.4%
Non-GAAP net income	$	1,354	2.4%	(19)%	$	1,670	2.8%	57%	$	1,063	1.9%
EBITDA	$	2,489	4.5%	(3)%	$	2,555	4.3%	NM	$	194	0.3%
Adjusted EBITDA	$	3,200	5.8%	(15)%	$	3,766	6.4%	22%	$	3,087	5.4%
Non-GAAP earnings per share diluted	$	3.30	N/A	(20)%	$	4.13	N/A	57%	$	2.63	N/A

Non-GAAP revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income, EBITDA, adjusted EBITDA, and non-GAAP earnings per share diluted are not measurements of financial performance prepared in accordance with GAAP. Non-GAAP financial measures

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as a percentage of revenue are calculated based on non-GAAP revenue. See *Non-GAAP Financial Measures* for information about these non-GAAP financial measures, including our reasons for including the measures, material limitations with respect to the usefulness of the measures, and a reconciliation of each non-GAAP financial measure to the most directly comparable GAAP financial measure.

Overview

During Fiscal 2016, our total net revenue decreased 6% on both a GAAP and non-GAAP basis. The decreases in net revenue during Fiscal 2016 were attributable to lower revenue in our Client Solutions, DSG, and Dell Services business units. Client Solutions contributed to most of the decrease in revenue during Fiscal 2016, driven by a global decline in demand for desktops and notebooks. In aggregate, revenue from our ESG, DSG, and Dell Services business units remained relatively flat during Fiscal 2016. As a result the combined revenue from ESG, DSG, and Dell Services represented 34.9% of total GAAP revenue for Fiscal 2016 compared to 33.0% of total GAAP revenue for Fiscal 2015.

During Fiscal 2016, on a GAAP basis we incurred operating losses of $383 million, compared to operating losses of $422 million in Fiscal 2015. Operating loss on a GAAP basis includes purchase accounting adjustments related to the going-private transaction, amortization of intangible assets, and other corporate expenses. In aggregate, these items totaled $3.0 billion and $3.6 billion during Fiscal 2016 and Fiscal 2015, respectively. On a non-GAAP basis, during Fiscal 2016, operating income decreased 17% to $2.6 billion from $3.2 billion in Fiscal 2015. The decrease in non-GAAP operating income was primarily attributable to lower gross margin, partially offset by a decrease in operating expenses.

We generated cash flow from operations of $2.2 billion during Fiscal 2016, compared to $2.6 billion during Fiscal 2015. The decline in operating cash flows was due to a decline in profitability and lower working capital benefits in the current period. Despite this decline, our operating cash flow performance has remained strong over the periods presented. See *Liquidity, Capital Commitments, and Contractual Cash Obligations* for further information on our cash flow metrics.

Revenue

Fiscal 2016 compared to Fiscal 2015

Product Revenue Product revenue includes revenue from the sale of hardware products and Dell-owned software licenses. During Fiscal 2016, product revenue decreased 7%, on both a GAAP and non-GAAP basis, due to decreases in revenue from Client Solutions as we experienced an overall decline in demand for desktops and notebooks. Product revenue for Fiscal 2016 did not benefit from the positive effects of the Windows XP refresh that contributed to product revenue in Fiscal 2015.

Services Revenue, including software related Services revenue, including software related, includes revenue from our services offerings, third-party software revenue, and support services related to Dell-owned software. During Fiscal 2016, revenue attributable to these services increased 1% on a GAAP basis, which was primarily attributable to the diminishing negative impact of purchase accounting adjustments which were $0.5 billion in Fiscal 2016, compared to $1.0 billion in Fiscal 2015. On a non-GAAP basis, during Fiscal 2016, revenue attributable to these services decreased 2%, which was attributable to both a decrease in revenue from our Dell Services business unit and a decrease in sales of our third-party software offerings and post-contract customer support associated with those software offerings.

See *Product and Services Business Units* for further information regarding revenue from our products, services, and software offerings.

From a geographical perspective, net revenue decreased in all regions during Fiscal 2016, partially offset by growth in certain emerging markets, including China and India.

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Fiscal 2015 compared to Pro Forma Fiscal 2014

Product Revenue During Fiscal 2015, product revenue increased 6% when compared to pro forma Fiscal 2014. On a non-GAAP basis, product revenue during Fiscal 2015 also increased 6% when compared to non-GAAP pro forma Fiscal 2014. Overall, these increases were primarily attributable to increases in revenue from Client Solutions due to favorable market conditions during Fiscal 2015 and also due to our improved execution through strategic pricing. See *Dell s Going-Private Transaction* above for more information about pro forma Fiscal 2014.

Services Revenue, including software related During Fiscal 2015, revenue on a GAAP basis attributable to services, including software related, decreased 1% when compared to pro forma Fiscal 2014. On a non-GAAP basis, revenue during Fiscal 2015 decreased 2% when compared to non-GAAP pro forma Fiscal 2014. The slight decline in services revenue, including software related, for Fiscal 2015 was primarily attributable to decreases in revenue from third-party software, as we elected not to resell certain third-party software offerings during the period. See *Dell s Going-Private Transaction* above for more information about pro forma Fiscal 2014.

See *Product and Services Business Units* above for further information regarding revenue from our products, services, and software offerings.

From a geographical perspective, revenue across all regions increased during Fiscal 2015 when compared to pro forma Fiscal 2014. Revenue from emerging countries increased 9% during Fiscal 2015, driven primarily by an increase in revenue from India and China.

Gross Margin

Fiscal 2016 compared to Fiscal 2015

During Fiscal 2016, our total gross margin decreased 4% to $9.8 billion on a GAAP basis and 8% to $10.9 billion on a non-GAAP basis. During Fiscal 2016, our gross margin percentage increased 30 basis points to 17.9% on a GAAP basis, and decreased 30 basis points to 19.6% on a non-GAAP basis. Gross margin on a GAAP basis for Fiscal 2016 included the effects of $1.0 billion in purchase accounting adjustments and amortization of intangibles related to the going-private transaction.

Products During Fiscal 2016, product gross margin dollars decreased 14%, on both a GAAP and non-GAAP basis. Product gross margin percentage on a GAAP and non-GAAP basis decreased 90 and 100 basis points during Fiscal 2016 to 12.5% and 13.7%, respectively. The decrease in product gross margin in dollars and percentages on both a GAAP and non-GAAP basis was primarily attributable to the adverse impact on Client Solutions of an overall decline in demand that resulted in a decrease in desktop and notebook units sold, as well as challenging pricing dynamics. These pricing dynamics included the impacts of competitive pressure and foreign currency volatility. Our gross margins include benefits relating primarily to settlements from certain vendors regarding their past pricing practices. These benefits were $97 million and $109 million for Fiscal 2016 and Fiscal 2015, respectively. Vendor settlements are allocated to our segments based on the relative amount of affected vendor products sold by each segment.

Services, including software related During Fiscal 2016, our gross margin dollars for services, including software related, increased 13% and 1% on a GAAP and non-GAAP basis, respectively. The increase in GAAP services gross margin dollars was primarily attributable to the diminishing negative impact of purchase accounting adjustments which were $0.5 billion in Fiscal 2016, compared to $0.9 billion in Fiscal 2015. Services gross margin percentage on a GAAP and non-GAAP basis increased 400 and 130 basis points during Fiscal 2016 to 38.4% and 40.6%, respectively. The increase in services gross margin in dollars and gross margin percentages on a non-GAAP basis was attributable to higher gross margin from Dell Services and a shift away from lower margin product offerings.

Fiscal 2015 compared to Pro Forma Fiscal 2014

During Fiscal 2015, our total gross margin increased 17% to $10.2 billion on a GAAP basis when compared to pro forma Fiscal 2014. On a non-GAAP basis, our total gross margin during Fiscal 2015 increased 5% to $11.7 billion when compared to non-GAAP pro forma Fiscal 2014. During Fiscal 2015, gross margin percentage on a GAAP basis increased 200 basis points to 17.6% when compared to pro forma Fiscal 2014. On a non-GAAP basis, gross margin percentage increased 10 basis points to 19.9% when compared to non-GAAP pro forma Fiscal 2014. Gross margin on a GAAP basis for Fiscal 2015 includes the effects of $1.5 billion in purchase accounting adjustments and amortization of intangibles related to the going-private transaction. In comparison, our gross margin for pro forma Fiscal 2014 included $2.4 billion in purchase accounting adjustments and amortization of intangibles related to the going-private transaction. See *Dell s Going-Private Transaction* above for more information about pro forma Fiscal 2014.

Products During Fiscal 2015, product gross margin dollars on a GAAP basis increased 22% when compared to pro forma Fiscal 2014. Product gross margin dollars on a non-GAAP basis for Fiscal 2015 increased 5% when compared to non-GAAP pro forma Fiscal 2014. Product gross margin percentage on a GAAP basis increased 170 basis points to 13.4% when compared to pro forma Fiscal 2014. Product gross margin percentage on a non-GAAP basis remained relatively unchanged when compared to non-GAAP pro forma Fiscal 2014. The increase in product gross margin dollars was driven by higher gross margin from Client Solutions, resulting from favorable market conditions coupled with pricing discipline and continued focus on our cost structure. Our gross margins include benefits, relating primarily to settlements from certain vendors regarding their past pricing practices. These benefits were $109 million for Fiscal 2015 and immaterial for pro forma Fiscal 2014.

Services, including software related During Fiscal 2015, our gross margin for services, including software related, increased 11% on a GAAP basis when compared to pro forma Fiscal 2014. On a non-GAAP basis, during Fiscal 2015, our gross margin for services, including software related, increased 4% when compared to non-GAAP pro forma Fiscal 2014. On a GAAP basis, services, including software related, gross margin percentage increased 370 basis points to 34.4% when compared to pro forma Fiscal 2014. On a non-GAAP basis, services, including software related, gross margin percentage increased 250 basis points to 39.3% when compared to non-GAAP pro forma Fiscal 2014. The increase in services gross margin in dollars and gross margin percentages on a non-GAAP basis was attributable to higher gross margin from Dell Services as well as higher gross margin for support services related to DSG offerings.

Vendor Programs and Settlements

Our gross margin is affected by our ability to achieve competitive pricing with our vendors and contract manufacturers, including through our negotiation of a variety of vendor rebate programs to achieve lower net costs for the various components we include in our products. Under these programs, vendors provide us with rebates or other discounts from the list prices for the components, which are generally elements of their pricing strategy. We account for vendor rebates and other discounts as a reduction in cost of net revenue. We manage our costs on a total net cost basis, which includes supplier list prices reduced by vendor rebates and other discounts.

The terms and conditions of our vendor rebate programs are largely based on product volumes and are generally negotiated either at the beginning of the annual or quarterly period, depending on the program. The timing and amount of vendor rebates and other discounts we receive under the programs may vary from period to period reflecting changes in the competitive environment. We monitor our component costs and seek to address the effects of any changes to terms that might arise under our vendor rebate programs. Our gross margins for Fiscal 2016, Fiscal 2015 and pro forma Fiscal 2014 were not materially affected by any changes to the terms of our vendor rebate programs, as the amounts we received under these programs were generally stable relative to our total net cost. We are not aware of any significant programmatic changes to vendor pricing or rebate programs that may impact our results in the near term.

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In addition, we have pursued legal action against certain vendors and are currently involved in negotiations with other vendors regarding their past pricing practices. We have negotiated settlements with some of these vendors and may have additional settlements in future quarters. These settlements are allocated to our segments based on the relative amount of affected vendor products used by each segment.

Operating Expenses

The following table presents information regarding our operating expenses during each of the periods presented:

	Fiscal Year Ended							
	Successor January 29, 2016			Successor January 30, 2015			Pro Forma January 31, 2014	
	Dollars	% of Revenue	% Change	Dollars	% of Revenue	% Change	Dollars	% of Revenue
	(in millions, except percentages)							
Operating expenses:								
Selling, general, and administrative	$ 8,900	16.2%	(6)%	$ 9,428	16.2%	(8)%	$ 10,213	18.4%
Research, development, and engineering	1,315	2.4%	9%	1,202	2.1%	(6)%	1,276	2.3%
Total operating expenses	$ 10,215	18.6%	(4)%	$ 10,630	18.3%	(7)%	$ 11,489	20.7%
Other Financial Information								
Non-GAAP operating expenses	$ 8,211	14.8%	(4)%	$ 8,554	14.5%	(2)%	$ 8,748	15.4%

Fiscal 2016 compared to Fiscal 2015

During Fiscal 2016, our total operating expenses decreased 4% on both a GAAP and non-GAAP basis. During Fiscal 2016 and Fiscal 2015, we recognized $1.8 billion and $1.9 billion, respectively, in amortization of intangible assets and purchase accounting adjustments related to the going-private transaction.

Selling, General, and Administrative Selling, general, and administrative, or SG&A, expenses on a GAAP basis decreased 6% during Fiscal 2016. The decreases were driven by a reduction in compensation expense, primarily due to a decrease in performance-based compensation. We continue to actively manage our cost structure, which allows us to invest in strategic areas such as strengthening our sales force.

Research, Development, and Engineering On a GAAP basis, RD&E expenses were 2.4% of net revenue for Fiscal 2016, compared to 2.1% for Fiscal 2015. The increase in RD&E expenses was primarily related to personnel-related expenses as we continue to invest in product development.

Fiscal 2015 compared to Pro Forma Fiscal 2014

During Fiscal 2015, total operating expenses on a GAAP basis decreased 7% to $10.6 billion when compared to pro forma Fiscal 2014. During Fiscal 2015 and pro forma Fiscal 2014, we recognized $1.9 billion and $2.0 billion, respectively, in amortization of intangible assets and purchase accounting adjustments related to the going-private transaction. Excluding these costs as well as other corporate expenses, total operating expenses on a non-GAAP basis decreased 2% during Fiscal 2015 when compared to non-GAAP pro forma Fiscal 2014. See *Dell s Going-Private Transaction* above for more information about pro forma Fiscal 2014.

Selling, General, and Administrative SG&A expenses declined 8% on a GAAP basis when compared to pro forma Fiscal 2014. The decrease was driven by a reduction in compensation expense, due to personnel-related productivity initiatives enacted primarily in the fourth quarter of pro forma Fiscal 2014. This decrease was partially offset by an increase in costs associated with our annual incentive plans, which is directly related to our stronger results for Fiscal 2015.

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Research, Development, and Engineering On a GAAP basis, RD&E expenses were 2.1% of net revenue for Fiscal 2015. For pro forma Fiscal 2014, RD&E expenses were 2.3% of net revenue.

Operating Income/Loss

Fiscal 2016 compared to Fiscal 2015

On a GAAP basis during Fiscal 2016, operating loss was $383 million, compared to $422 million during Fiscal 2015. The decrease in operating loss over the period was primarily attributable to the diminishing negative impact of purchase accounting adjustments. Operating loss on a GAAP basis includes amortization of intangible assets and purchase accounting adjustments associated with the going-private transaction of $2.8 billion for Fiscal 2016. In comparison, during Fiscal 2015, we recognized $3.4 billion in amortization of intangibles and purchase accounting adjustments associated with the going-private transaction. Excluding these costs as well as other corporate expenses, during Fiscal 2016, operating income on a non-GAAP basis decreased 17% to an operating income of $2.6 billion. These decreases were primarily attributable to lower gross margin primarily driven by Client Solutions, the effect of which was offset partially by a reduction in operating expenses.

Fiscal 2015 compared to Pro Forma Fiscal 2014

On a GAAP basis, during Fiscal 2015, operating loss decreased 85% to an operating loss of $422 million when compared to pro forma Fiscal 2014. Operating income on a GAAP basis for Fiscal 2015 included $3.4 billion in amortization of intangible assets and purchase accounting adjustments associated with the going-private transaction. In comparison, during pro forma Fiscal 2014, we recognized $4.5 billion in amortization of intangibles and purchase accounting adjustments associated with the going-private transaction. Excluding these costs as well as other corporate expenses, during Fiscal 2015, operating income on a non-GAAP basis increased 28% to $3.2 billion when compared to non-GAAP pro forma Fiscal 2014. These increases were primarily attributable to higher gross margin, coupled with a decrease in operating expenses. See *Dell s Going-Private Transaction* above for more information about pro forma Fiscal 2014.

Interest and Other, Net

The following table provides a detailed presentation of interest and other, net for each of the periods presented:

	Fiscal Year Ended		
	Successor January 29, 2016	**Successor January 30, 2015**	**Pro Forma January 31, 2014**
		(in millions)	
Interest and other, net:			
Investment income, primarily interest	$ 39	$ 47	$ 42
Gain (loss) on investments, net	(2)	(29)	2
Interest expense	(680)	(807)	(857)
Foreign exchange	(122)	(96)	(47)
Other	(27)	(39)	(12)
Total interest and other, net	$ (792)	$ (924)	$ (872)

Fiscal 2016 compared to Fiscal 2015

During Fiscal 2016, changes in interest and other, net were favorable by $132 million, primarily due to a decrease in interest expense from lower debt balances over the period. The positive effect of lower interest expense was partially offset by an increase in foreign exchange losses. Foreign exchanges losses increased due to revaluations of certain un-hedged foreign currencies, which were partially offset by lower trading costs.

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Fiscal 2015 compared to Pro Forma Fiscal 2014

During Fiscal 2015, changes in interest and other, net were unfavorable by $52 million, when compared to pro forma Fiscal 2014. This change was primarily attributable to an increase in foreign exchange losses and a loss on investments, partially offset by a decrease in interest expense due to lower debt balances over the period. The increase in foreign exchange losses was due to higher costs associated with our hedging program and revaluations of certain un-hedged foreign currencies.

Income and Other Taxes

Our effective income tax rate was 6.0% and 9.3% on pre-tax losses of $1,175 million and $1,346 million for Fiscal 2016 and Fiscal 2015, respectively, and 9.4% on pre-tax losses of $3,669 million for pro forma Fiscal 2014. The change in our effective income tax rate for Fiscal 2016 was primarily attributable to a change in the mix of geographical income, as well as higher discrete tax expenses. The change in our effective income tax rate for Fiscal 2015 as compared to pro forma Fiscal 2014 was primarily attributable to fewer charges related to the going-private transaction which are generally deductible at higher tax rates, offset by a valuation allowance on deferred tax assets recorded in pro forma Fiscal 2014 for one of our foreign jurisdictions, and a change in the mix of geographic income to lower tax jurisdictions.

Our effective tax rate can fluctuate depending on the geographic distribution of our world-wide earnings, as our foreign earnings are generally taxed at lower rates than in the United States. In certain jurisdictions, our tax rate is significantly less than the applicable statutory rate as a result of tax holidays. The majority of our foreign income that is subject to these tax holidays and lower tax rates is attributable to Singapore, China, and Malaysia. A significant portion of these income tax benefits is related to a tax holiday that will expire on January 31, 2017. We are currently seeking new terms for the affected subsidiary and it is uncertain whether any terms will be agreed upon. Our other tax holidays will expire in whole or in part during Fiscal 2019 through Fiscal 2023. Many of these tax holidays and reduced tax rates may be extended when certain conditions are met or may be terminated early if certain conditions are not met. The differences between our effective tax rate and the U.S. federal statutory rate of 35% principally resulted from the geographical distribution of taxable income discussed above and permanent differences between the book and tax treatment of certain items. We continue to assess our business model and its impact in various taxing jurisdictions.

For further discussion regarding tax matters, including the status of income tax audits, see Note 12 of the Notes to the Audited Consolidated Financial Statements of Denali.

Net Income/Loss

Fiscal 2016 compared to Fiscal 2015

During Fiscal 2016, net loss on a GAAP basis decreased 10% to a loss of $1.1 billion when compared to Fiscal 2015. Net loss for Fiscal 2016, on a GAAP basis includes amortization of intangible assets, purchase accounting adjustments, costs related to the going-private transaction, and other corporate expenses. In aggregate these costs totaled $3.0 billion and $3.6 billion for Fiscal 2016 and Fiscal 2015, respectively. Excluding these costs, net income for Fiscal 2016 on a non-GAAP basis decreased 19% to $1.4 billion. The decrease in non-GAAP net income for Fiscal 2016 was primarily attributable to a decrease in non-GAAP operating income, which was partially offset by a decrease in non-GAAP tax expense. See Note 12 of the Notes to the Audited Consolidated Financial Statements of Denali for more information regarding our effective tax rate.

Fiscal 2015 compared to Pro Forma Fiscal 2014

During Fiscal 2015, net loss on a GAAP basis decreased 63% to a loss of $1.2 billion when compared to pro forma Fiscal 2014. Net loss for Fiscal 2015, on a GAAP basis, and pro forma Fiscal 2014 includes amortization of intangible assets, purchase accounting adjustments, the costs related to the going-private transaction, and other

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corporate expenses. In aggregate these costs totaled $3.6 billion and $5.5 billion for Fiscal 2015 and pro forma Fiscal 2014, respectively. Excluding these costs, net income for Fiscal 2015 on a non-GAAP basis increased 57% to $1.7 billion when compared to non-GAAP pro forma Fiscal 2014. The increase in non-GAAP net income for Fiscal 2015 is primarily attributable to an increase in operating income. See *Dell s Going-Private Transaction* above for more information about pro forma Fiscal 2014.

Product and Services Business Units

Fiscal 2016 compared to Fiscal 2015 and Fiscal 2015 compared to Pro Forma Fiscal 2014

Recognition of Dell s Going-Private Transaction for Product and Services Business Units

In analyzing results of operations for Product and Services Business Units, we have presented Fiscal 2015 compared to pro forma Fiscal 2014. The impact of purchase accounting and intangibles amortization associated with the going-private transaction are recorded at the corporate level and not recorded within the business units. As a result, the comparability of business unit results across the fiscal periods being analyzed in this management s discussion and analysis are not affected by the going-private transaction and related accounting impacts.

	Successor October 29, 2013 through January 31, 2014	Predecessor February 2, 2013 through October 28, 2013	Subtotal Fiscal Year Ended January 31, 2014	Adjustments Going-Private Transaction	Pro Forma Fiscal Year Ended January 31, 2014
			(in millions)		
Consolidated net revenue:					
Client Solutions	$ 9,839	$ 28,101	$ 37,940	$	$ 37,940
Enterprise Solutions Group	3,500	10,875	14,375		14,375
Dell Software Group	360	951	1,311		1,311
Dell Services	739	2,219	2,958		2,958
Segment net revenue	$ 14,438	$ 42,146	$ 56,584	$	56,584
Corporate (a)	61	156	217		217
Impact of purchase accounting (b)	(424)		(424)	(798)	(1,222)
Total	$ 14,075	$ 42,302	$ 56,377	$ (798)	$ 55,579
Consolidated operating income:					
Client Solutions	$ 289	$ 1,070	$ 1,359	$	$ 1,359
Enterprise Solutions Group	270	867	1,137		1,137
Dell Software Group	(52)	(196)	(248)		(248)
Dell Services	2	(44)	(42)		(42)
Segment operating income	509	1,697	2,206		2,206
Impact of purchase accounting (b)	(1,252)		(1,252)	(868)	(2,120)

Amortization of intangible assets	(584)	(594)	(1,178)	(1,155)	(2,333)
Corporate (a)	102		102	185	287
Other (c)	(573)	(585)	(1,158)	321	(837)
Total	$ (1,798)	$ 518	$ (1,280)	$ (1,517)	$ (2,797)

(a) Corporate primarily consists of unallocated transactions and certain security offerings.

(b) Impact of purchase accounting in the successor periods represents the non-cash purchase accounting adjustments related to the going-private transaction.

(c) Other costs include severance, facility, acquisition, and compensation expenses and costs related to the going-private transaction.

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Client Solutions:

The following table presents revenue and operating income attributable to Client Solutions for the respective periods:

	Fiscal Year Ended				
	Successor January 29, 2016	% Change	Successor January 30, 2015	% Change	Pro Forma January 31, 2014
	(in millions, except percentages)				
Net Revenue:					
Commercial	$ 21,297	(11)%	$ 23,988	9%	$ 21,954
Consumer	9,167	(7)%	9,886	%	9,918
Third-party software and after-point-of-sale peripherals	5,413	(6)%	5,760	(5)%	6,068
Total Client Solutions revenue	$ 35,877	(9)%	$ 39,634	4%	$ 37,940
Operating Income:					
Client Solutions operating income	$ 1,410	(31)%	$ 2,051	51%	$ 1,359
% of segment revenue	*3.9%*		*5.2%*		*3.6%*

<u>Fiscal 2016 compared to Fiscal 2015</u>

<u>Net Revenue</u> During Fiscal 2016, Client Solutions experienced a 9% decrease in net revenue due to lower demand across all Client Solutions product categories coupled with competitive pricing pressure. The decline in commercial and consumer revenue reflected decreased demand for desktops and notebooks, which was magnified by our product mix. Product revenue for Fiscal 2016 did not benefit from the positive effects of the Windows XP refresh that contributed to product revenue in Fiscal 2015. From a geographical perspective, revenue attributable to Client Solutions decreased across all regions during Fiscal 2016, with revenue from the Americas and EMEA representing most of the decline.

<u>Operating Income</u> During the Fiscal 2016, operating income as a percentage of revenue attributable to Client Solutions decreased 130 basis points to 3.9%. This decline was driven by both a decrease in our gross margin percentage, and an increase in our operating expense percentage. The decline in our gross margin percentage was a result of challenging economic conditions, competitive pressures, and a strong U.S. dollar that all impacted our ability to adjust pricing accordingly. Despite this challenging environment, we are making investments in our sales force to enhance efficiency and drive growth in future periods. As a result of this investment and strategic R&D investments, operating expenses as a percentage of revenue increased over the period.

<u>Fiscal 2015 compared to Pro Forma Fiscal 2014</u>

<u>Net Revenue</u> During Fiscal 2015, Client Solutions experienced a 4% increase in net revenue when compared to pro forma Fiscal 2014, due to growth in the commercial category driven by an increase in units sold. Client Solutions net revenue also benefited from favorable market conditions, driven by the Windows XP refresh cycle, which gradually weakened in the second half of the year. Consumer net revenue was effectively unchanged during Fiscal 2015.

Throughout Fiscal 2015, we improved our execution through strategic pricing, leveraging our direct sales force as well as our channel partners. We have also been experiencing a consolidation of the industry, which contributed to the improved results for Fiscal 2015. From a geographical perspective, revenue attributable to Client Solutions increased across all regions during Fiscal 2015, led by an increase in revenue from the Americas.

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Operating Income During Fiscal 2015, Client Solutions operating income as a percentage of revenue increased 160 basis points to 5.2%. This increase was attributable to an improvement in our gross margin percentage, driven primarily by desktops and notebooks as we benefited from favorable market conditions. The increase in operating income was also due to a reduction in our operating expense percentage as we continue to optimize our cost structure.

Enterprise Solutions Group:

The following table presents revenue and operating income attributable to ESG for the respective periods:

	Fiscal Year Ended				
	Successor January 29, 2016	**% Change**	**Successor January 30, 2015**	**% Change**	**Pro Forma January 31, 2014**
	(in millions, except percentages)				
Net Revenue:					
Servers and networking	$ 12,761	3%	$ 12,368	4%	$ 11,901
Storage	2,217	(5)%	2,346	(5)%	2,474
Total ESG revenue	$ 14,978	2%	$ 14,714	2%	$ 14,375
Operating Income:					
ESG operating income	$ 1,052	(14)%	$ 1,230	8%	$ 1,137
% of segment revenue	*7.0%*		*8.4%*		*7.9%*

Fiscal 2016 compared to Fiscal 2015

Net Revenue During Fiscal 2016, ESG net revenue increased 2% primarily due to a 3% increase in net revenue from servers and networking. PowerEdge server average selling prices increased due to a shift to products with richer configurations, while overall units remained relatively flat. The increase in net revenue from servers and networking was partially offset by a 5% decrease in storage revenue. From a geographical perspective, during Fiscal 2016, the overall increase in ESG net revenue was primarily due to increased revenue in APJ.

Operating Income During Fiscal 2016, ESG operating income as a percentage of revenue decreased 140 basis points to 7.0%. The decrease in our operating income percentage was driven by lower gross margin percentages. These declines were primarily driven by challenging pricing dynamics, including competitive pressures and the strong U.S. dollar. These challenging economic conditions affected our ability to raise prices sufficiently to offset the higher costs associated with the shift to products with richer configurations.

Fiscal 2015 compared to Pro Forma Fiscal 2014

Net Revenue During Fiscal 2015, ESG experienced a 2% increase in net revenue, which was attributable to a 4% increase in revenue from our servers and networking products, driven by an increase in PowerEdge server units and average selling prices attributable to richer configurations. These increases were partially offset by a 5% decline in storage revenue. From a geographical perspective, ESG revenue increased during Fiscal 2015 driven by an increase in revenue from EMEA and, to a lesser extent, an increase in revenue from APJ, partially offset by a decline in revenue from the Americas.

Operating Income During Fiscal 2015, operating income as a percentage of revenue attributable to ESG increased 50 basis points to 8.4%. This increase was primarily driven by a decline in our operating expense percentage as we continue to optimize our cost structure, partially offset by a decline in our gross margin percentage.

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Dell Software Group:

The following table presents revenue and operating income attributable to DSG for the respective periods:

	Fiscal Year Ended				
	Successor January 29, 2016	% Change	Successor January 30, 2015	% Change	Pro Forma January 31, 2014
	(in millions, except percentages)				
Net Revenue:					
DSG revenue	$ 1,362	(9)%	$ 1,493	14%	$ 1,311
Operating Loss:					
DSG operating loss	$ (1)	97%	$ (30)	88%	$ (248)
% of segment revenue	*(0.1)%*		*(2.0)%*		*(18.9)%*

Fiscal 2016 compared to Fiscal 2015

Net Revenue During Fiscal 2016, revenue attributable to DSG decreased 9%, driven by a decrease in systems management software sales, primarily due to disruption from a realignment of our sales organization. From a geographical perspective, DSG revenue decreased across all regions during Fiscal 2016.

Operating Income During Fiscal 2016, DSG operating income as a percentage of revenue increased 190 basis points to an operating loss percentage of 0.1%. This improvement was attributable to a decrease in our operating expense percentage, driven by a decrease in SG&A expenses, primarily as a result of headcount reduction. The positive impact of the decreases was partially offset by a decline in our gross margin percentage due to a shift to software solutions with lower margins.

Fiscal 2015 compared to Pro Forma Fiscal 2014

Net Revenue During Fiscal 2015, revenue attributable to DSG increased 14% as we experienced growth across our entire portfolio of software solutions.

Operating Income During Fiscal 2015, DSG operating loss as a percentage of revenue decreased to an operating loss percentage of 2.0%. Overall, the decrease in operating loss percentage was primarily driven by a decrease in our operating expense percentage.

Dell Services:

The following table presents revenue and operating income attributable to Dell Services for the respective periods:

	Fiscal Year Ended				
	Successor January 29, 2016	% Change	Successor January 30, 2015	% Change	Pro Forma January 31, 2014
	(in millions, except percentages)				
Net Revenue:					
Infrastructure and cloud services	$ 1,679	(3)%	$ 1,734	%	$ 1,735
Applications and business process services	1,163	(7)%	1,248	2%	1,223
Total Dell Services revenue	$ 2,842	(5)%	$ 2,982	1%	$ 2,958
Operating Income (Loss):					
Dell Services operating income (loss)	$ 152	23%	$ 124	395%	$ (42)
% of segment revenue	*5.3%*		*4.2%*		*(1.4)%*

Fiscal 2016 compared to Fiscal 2015

Net Revenue During Fiscal 2016, Dell Services experienced a 5% decrease in net revenue. The decrease was attributable to a decline in revenue across all Dell Services categories driven by revenue runoff from several large contracts in advance of the benefits to be recognized from new contract signings. At a regional level, Dell Services revenue is mostly generated in the Americas, primarily in the United States. Dell Services revenue generated in the Americas decreased 3% during Fiscal 2016.

Operating Income For Fiscal 2016, operating income as a percentage of revenue attributable to Dell Services increased 110 basis points to 5.3%. This increase was driven by improved gross margin percentages, primarily attributable to our infrastructure and cloud offerings, as we continued to optimize our cost structure and automate our delivery process. This increase in gross margin percentages was partially offset by an increase in our operating expense percentage primarily due to an increase in outside services fees.

Services Backlog Services backlog decreased 10% to $7.2 billion as of January 29, 2016, compared to $8.0 billion as of January 30, 2015. Our focus continues to be on building a sustainable pipeline and improving our cost structure to enable our growth in the market. Estimated services backlog is primarily related to our outsourcing services business. The majority of services backlog represents signed contracts that are initially $2 million or more in total expected revenue with an initial contract term of at least 18 months. We provide information regarding services backlog because we believe it provides useful trend information regarding changes in the size of our services business over time. The terms of the signed services contracts included in our calculation of services backlog are subject to change and are affected by terminations, changes in the scope of services, and changes to other factors that could impact the value of the contract. For these and other reasons, it is not reasonably practicable to estimate the portions of these backlog amounts that will ultimately be recognized as revenue when performance on the contracts is completed.

Fiscal 2015 compared to Pro Forma Fiscal 2014

Net Revenue During Fiscal 2015, Dell Services experienced a 1% increase in net revenue. Revenue from applications and business process services increased 2% during Fiscal 2015, due to an increase in revenue from applications services. Revenue from infrastructure and cloud services was effectively unchanged during that period. At a regional level, Dell Services revenue is generated primarily from sales in the U.S. market, and U.S. revenue remained largely unchanged during Fiscal 2015.

Operating Income During Fiscal 2015, operating income percentage increased 560 basis points to 4.2%. Overall, this increase was attributable to an increase in our gross margin percentage, driven by infrastructure and cloud services, coupled with a decline in our operating expense percentage.

Services Backlog Services backlog decreased 4% to $8.0 billion as of January 30, 2015, compared to $8.3 billion as of January 31, 2014.

Accounts Receivable

We sell products and services directly to customers and through a variety of sales channels, including retail distribution. As of January 29, 2016, our accounts receivable, net, was $5.5 billion, compared to $6.1 billion as of January 30, 2015. This decrease was primarily driven by a decrease in revenue over the period and improved collections performance. We maintain an allowance for doubtful accounts to cover receivables that may be deemed uncollectible. The allowance for losses is based on a provision for accounts that are collectively evaluated based on historical bad debt experience as well as specific identifiable customer accounts that are deemed at risk. As of January

29, 2016 and January 30, 2015, the allowance for doubtful accounts was $57 million and $60 million, respectively. Based on our assessment, we believe that we are adequately reserved for expected credit losses. We monitor the aging of our accounts receivable and continue to take actions to reduce our exposure to credit losses.

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Dell Financial Services and Financing Receivables

Dell Financial Services, referred to as DFS, offers a wide range of financial services, including originating, collecting, and servicing customer receivables primarily related to the purchase of Dell products. In some cases, we originate financing activities for our commercial customers related to the purchase of third-party technology products that complement our portfolio of products and services. New financing originations, which represent the amounts of financing provided by DFS to customers for equipment and related software and services, including third-party originations, were $3.7 billion for both Fiscal 2016 and Fiscal 2015 and $3.3 billion for pro forma Fiscal 2014. As of January 29, 2016 and January 30, 2015, our financing receivables, net were $5.1 billion and $5.0 billion, respectively.

During pro forma Fiscal 2014, prior to the going-private transaction, we completed our acquisition of CIT Vendor Finance s Dell-related financing assets portfolio and sales and servicing functions in Europe which has enabled global expansion of our direct finance model. In connection with this transaction we obtained a bank license from The Central Bank of Ireland to facilitate our ongoing offerings of financial services in Europe.

We have securitization programs to fund revolving loans and fixed-term leases and loans through consolidated special purpose entities, referred to as SPEs, which we account for as secured borrowings. We transfer certain U.S. customer financing receivables to these SPEs, whose purpose is to facilitate the funding of customer receivables through financing arrangements with multi-seller conduits that issue asset-backed debt securities in the capital markets and to private investors. During Fiscal 2016, Fiscal 2015, and pro forma Fiscal 2014, we transferred $3.2 billion, $2.7 billion and $5.4 billion to these SPEs, respectively. The significant amount of receivables securitized through SPEs during pro forma Fiscal 2014 reflect our entry into new securitization programs as a result of the going-private transaction. Our risk of loss related to these securitized receivables is limited to the amount of our over-collateralization in the transferred pool of receivables. The structured financing debt related to all of our securitization programs included as secured borrowing was $2.8 billion and $2.3 billion, as of January 29, 2016 and January 30, 2015, respectively. In addition, the carrying amount of the corresponding financing receivables was $3.3 billion and $3.0 billion, as of January 29, 2016 and January 30, 2015, respectively.

We maintain an allowance to cover expected financing receivable credit losses and evaluate credit loss expectations based on our total portfolio. For Fiscal 2016, Fiscal 2015 and pro forma Fiscal 2014, the principal charge-off rate for our total portfolio was 2.5%, 2.9% and 3.7%, respectively. The credit quality mix of our financing receivables has improved in recent years due to our underwriting actions and as the mix of high quality commercial accounts in our portfolio has increased. The allowance for losses is determined based on various factors, including historical and anticipated experience, past due receivables, receivable type, and customer risk profile. At January 29, 2016 and January 30, 2015, the allowance for financing receivable losses was $176 million and $194 million, respectively. In general, the loss rates on our financing receivables have improved over the periods presented. We expect the loss rates in future periods to stabilize, with movements in these rates being primarily driven by seasonality and a continued shift in portfolio composition to lower risk commercial assets. We continue to monitor broader economic indicators and their potential impact on future loss performance. We have an extensive process to manage our exposure to customer credit risk, including active management of credit lines and our collection activities. We also sell selected fixed-term financing receivables to unrelated third parties on a periodic basis, primarily to manage certain concentrations of customer credit exposure. Based on our assessment of the customer financing receivables, we believe that we are adequately reserved.

See Note 5 of the Notes to the Audited Consolidated Financial Statements of Denali for additional information about our financing receivables and the associated allowance.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet financing arrangements.

LIQUIDITY, CAPITAL COMMITMENTS, AND CONTRACTUAL CASH OBLIGATIONS

Market Conditions

We regularly monitor economic conditions and associated impacts on the financial markets and our business. We consistently evaluate the financial health of our supplier base, carefully manage customer credit, diversify counterparty risk, and monitor the concentration risk of our cash and cash equivalents balances globally. We routinely monitor our financial exposure to borrowers and counterparties.

We monitor credit risk associated with our financial counterparties using various market credit risk indicators such as credit ratings issued by nationally recognized rating agencies and changes in market credit default swap levels. We perform periodic evaluations of our positions with these counterparties and may limit exposure to any one counterparty in accordance with our policies. We monitor and manage these activities depending on current and expected market developments.

We use derivative instruments to hedge certain foreign currency exposures. We use forward contracts and purchased options designated as cash flow hedges to protect against the foreign currency exchange rate risks inherent in our forecasted transactions denominated in currencies other than the U.S. dollar. In addition, we primarily use forward contracts and may use purchased options to hedge monetary assets and liabilities denominated in a foreign currency. See Note 7 of the Notes to the Audited Consolidated Financial Statements of Denali for more information about our use of derivative instruments.

See *Risk Factors* for further discussion of risks associated with our use of counterparties. The impact on our Consolidated Financial Statements of any credit adjustments related to these counterparties has been immaterial.

Liquidity

To support our ongoing business operations, we rely on operating cash flows as our primary source of liquidity. We monitor the efficiency of our balance sheet to ensure that we have adequate liquidity to support our strategic initiatives. In addition to internally generated cash, we have access to other capital sources, including the ABL Credit Facility, to finance our strategic initiatives and fund growth in our financing operations. As of January 29, 2016 we had $6.6 billion of total cash and cash equivalents, substantially all of which was held outside of the U.S. Our strategy is to deploy capital from any potential source, whether internally generated cash or debt, depending on the adequacy and availability of that source of capital and whether it can be accessed in a cost effective manner.

A significant portion of our income is earned in non-U.S. jurisdictions. Under current law, earnings available to be repatriated to the U.S. would be subject to U.S. federal income tax, less applicable foreign tax credits. We have provided for the U.S. federal tax liability on these amounts for financial statement purposes, except for foreign earnings that are considered permanently reinvested outside of the U.S. We utilize a variety of tax planning and financing strategies with the objective of having our worldwide cash available in the locations where it is needed.

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The following table summarizes our cash and cash equivalents as well as our available borrowings as of January 29, 2016 and January 30, 2015:

	Successor	
	January 29, 2016	January 30, 2015
	(in millions)	
Cash and cash equivalents, and available borrowings:		
Cash and cash equivalents	$ 6,576	$ 5,398
Remaining available borrowings under the asset-backed credit line (ABL Credit Facility)	1,676	1,716
Total cash, cash equivalents, and available borrowings	$ 8,252	$ 7,114

The maximum aggregate borrowings under the ABL Credit Facility are approximately $2.0 billion. Borrowings under the ABL Credit Facility are subject to a borrowing base, which consists of certain receivables and inventory. Available borrowings under the ABL Credit Facility are reduced by draws on the facility as well as outstanding letters of credit. As of January 29, 2016, there were no draws on the facility and, after taking into account outstanding letters of credit, our available capacity totaled $1.7 billion.

To finance the going-private transaction, we issued $13.9 billion in debt, which included borrowings under the Term Loan Facilities and the ABL Credit Facility, proceeds from the sale of Senior First Lien Notes and other notes, and borrowings under structured financing debt programs. See Note 1 and Note 6 of the Notes to the Audited Consolidated Financial Statements of Denali for more information on the going-private transaction and our outstanding borrowings.

The following table summarizes our outstanding debt as of January 29, 2016 and January 30, 2015:

	Successor	
	January 29, 2016	January 30, 2015
	(in millions)	
Outstanding Debt:		
Term loan facilities and Senior First Lien Notes	$ 7,623	$ 8,071
Unsecured notes and debentures	2,853	3,553
Structured financing debt	3,411	2,690
Borrowings under the ABL credit facility		
Other	93	73
Total debt, principal amount	13,980	14,387
Carrying value adjustments	(221)	(232)
Total debt, carrying value	$ 13,759	$ 14,155

During Fiscal 2016, we repaid $1.1 billion of debt, which primarily consisted of $0.7 billion in Unsecured Notes and Debentures, and $0.4 billion in Term Loan Facilities. In addition, during Fiscal 2016, we issued $0.7 billion, net, in additional structured financing debt.

Our requirements for cash to pay principal and interest have increased significantly due to the incremental borrowings we incurred to finance the going-private transaction. We may, from time to time, at our sole discretion, purchase, redeem, prepay, refinance, or otherwise retire our outstanding indebtedness under the terms of such indebtedness, in open market or negotiated transactions with the holders of such indebtedness, or otherwise. On June 10, 2015, we refinanced and amended the Term Loan facilities to reduce interest rate floors and margins and to modify certain covenant requirements. The refinancing increased the outstanding Term Loan Euro Facility from 0.6 billion to 0.8 billion, offset by a decrease in the Term Loan B Facility from $4.6 billion to $4.4 billion. The interest rate for both the Term Loan B Facility and Euro Facility was reduced to 4%.

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We balance the use of our securitization programs with working capital and other sources of liquidity to fund growth in our global financial services business. Of the $14.0 billion in outstanding principal debt as of January 29, 2016, $4.5 billion, which includes $3.4 billion in structured financing debt, is used to fund this business.

We believe that our current cash and cash equivalents, along with cash that will be provided by future operations, and borrowings expected to be available under the ABL Credit Facility, will be sufficient to fund our operations, capital expenditures, debt service requirements, shares subject to the appraisal proceedings, and any tax audit settlements described in Note 11 and Note 12 of the Notes to the Audited Consolidated Financial Statements of Denali, respectively, over at least the next twelve months.

The following table contains a summary of our Consolidated Statements of Cash Flows for the respective periods:

	Successor (a)			Predecessor
	Fiscal Year Ended January 29, 2016	Fiscal Year Ended January 30, 2015	October 29, 2013 through January 31, 2014	February 2, 2013 through October 28, 2013
			(in millions)	
Net change in cash from:				
Operating activities	$ 2,162	$ 2,551	$ 1,082	$ 1,604
Investing activities	(321)	(355)	(8,553)	1,564
Financing activities	(496)	(3,094)	13,960	(4,630)
Effect of exchange rate changes on cash and cash equivalents	(167)	(153)	(40)	(67)
Change in cash and cash equivalents	$ 1,178	$ (1,051)	$ 6,449	$ (1,529)
Cash and cash equivalents at beginning of period	$ 5,398	$ 6,449	$	$ 12,569
Cash and cash equivalents at end of the period	$ 6,576	$ 5,398	$ 6,449	$ 11,040

(a) In accordance with authoritative guidance for business combinations, we have reflected the acquisition of Dell by Denali Holding as a cash outflow, net of cash acquired, in cash used in investing activities in the successor period ending January 31, 2014. See Note 1 of the Notes to the Audited Consolidated Financial Statements of Denali for more information on the going-private transaction.

Operating Activities Cash provided by operating activities was $2.2 billion and $2.6 billion for Fiscal 2016 and Fiscal 2015, respectively. The decline in operating cash flows was due to a decline in profitability and lower working capital benefits in the current period. Despite this decline, our operating cash flow performance has remained strong over the periods presented.

Cash provided by operating activities was $2.6 billion for Fiscal 2015, $1.1 billion for the successor period ended January 31, 2014, and $1.6 billion for the predecessor period ended October 28, 2013. Our strong operating cash flows over these periods was due to balanced working capital management and sustained profitability.

Cash provided by operating activities was $1.1 billion for the successor period ended January 31, 2014 and $1.6 billion for the predecessor period ended October 28, 2013, respectively. The decrease in the successor period ended January 31, 2014 was attributable to a decrease in net income, the effect of which was largely offset by favorable changes in working capital.

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Investing Activities Investing activities primarily consist of capital expenditures for property, plant, and equipment, collections on purchased financing receivables, and proceeds from sale of facilities, land and other assets. Cash used in investing activities was $321 million and $355 million during Fiscal 2016 and Fiscal 2015, respectively. In Fiscal 2015, investing activities also included $73 million used to fund acquisitions.

For the successor period ended January 31, 2014, cash used in investing activities was primarily comprised of the net cash used to fund the acquisition of Dell by Denali. The cash consideration at the close of the going-private transaction was $19.7 billion, which is presented net of $11.0 billion in acquired cash in the Consolidated Statements of Cash Flow. See Note 1 and Note 3 of the Notes to the Audited Consolidated Financial Statements of Denali for more information on the going-private transaction.

For the predecessor period ended October 28, 2013 cash provided by investing activities was $1.6 billion and was primarily driven by the liquidation of our investment portfolio in connection with the going-private transaction.

Financing Activities Financing activities primarily consist of the proceeds and repayments of debt. During Fiscal 2016, cash used in financing activities was $0.5 billion, as we issued $0.7 billion, net, in additional structured financing debt, repaid $0.7 billion in maturing Unsecured Notes and Debentures, and repaid $0.5 billion, net, in Term Loan Facilities and related foreign currency derivative settlements. In comparison, during Fiscal 2015, cash used in financing activities primarily comprised of repayments of debt of $2.0 billion principal amount of the Microsoft Note issued in the going-private transaction and $0.8 billion in borrowings outstanding under the ABL Credit Facility.

For the successor period ended January 31, 2014, cash provided by financing activities was $14.0 billion, primarily attributable to the issuance of $13.9 billion in new debt used to finance the going-private transaction. Issuance costs for these borrowings totaled $0.3 billion. In connection with the going-private transaction, we retired $1.3 billion in structured financing debt and paid $0.9 billion into escrow in order to retire our near term maturity notes. Also, during the Predecessor period ended October 28, 2013, we repaid $1.8 billion in outstanding commercial paper.

For the predecessor period ended October 28, 2013, cash used in financing activities was $4.6 billion and was primarily attributable to repayment of debt.

See Note 5 of the Notes to the Audited Consolidated Financial Statements of Denali for more information about our securitization programs, and Note 6 of the Notes to the Audited Consolidated Financial Statements of Denali for more information about our debt.

Key Performance Metrics

The following table presents the components of our cash conversion cycle for the periods presented:

	Successor Fiscal Quarter Ended		
	January 29, 2016	**January 30, 2015**	**January 31, 2014**
Days of sales outstanding (a)	40	43	43
Days of supply in inventory (b)	14	13	14
Days in accounts payable (c)	(106)	(103)	(96)

Cash conversion cycle (d)	(52)	(47)	(39)

(a) Days of sales outstanding, referred to as DSO, calculates the average collection period of our receivables. DSO is based on the ending net trade receivables and the most recent quarterly non-GAAP net revenue for each period. DSO also includes the effect of product costs related to customer shipments not yet recognized

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as revenue that are classified in other current assets. DSO is calculated by adding accounts receivable, net of allowance for doubtful accounts, and customer shipments in transit and dividing that sum by average non-GAAP net revenue per day for the current quarter (90 days for all fiscal quarters presented herein). At January 29, 2016, DSO and days of customer shipments not yet recognized were 36 and 4 days. At January 30, 2015 and January 31, 2014, DSO and days of customer shipments not yet recognized were 38 and 5 days, and 39 and 4 days, respectively.

(b) Days of supply in inventory, referred to as DSI, measures the average number of days from procurement to sale of our products. DSI is based on ending inventory and most recent quarterly non-GAAP cost of goods sold for each period. DSI is calculated by dividing ending inventory by average non-GAAP cost of goods sold per day for the current quarter (90 days for all fiscal quarters presented herein).

(c) Days in accounts payable, referred to as DPO, calculates the average number of days our payables remain outstanding before payment. DPO is based on ending accounts payable and most recent quarterly non-GAAP cost of goods sold for each period. DPO is calculated by dividing accounts payable by average non-GAAP cost of goods sold per day for the current quarter (90 days for all fiscal quarters presented herein).

(d) We calculate our cash conversion cycle using non-GAAP net revenue and non-GAAP cost of goods sold because we believe that excluding certain items from the GAAP results, including the large non-cash purchase accounting adjustments following the going-private transaction, facilitates management s understanding of this key performance metric. The table below provides a reconciliation of GAAP net revenue and GAAP cost of goods sold to non-GAAP net revenue and non-GAAP cost of goods sold used in calculating the DSO, DSI and DPO metrics:

	Successor Fiscal Quarter Ended		
	January 29, 2016	**January 30, 2015**	**January 31, 2014**
		(in millions)	
GAAP net revenue	$ 13,682	$ 14,261	$ 14,075
Non-GAAP adjustments:			
Impact of purchase accounting	100	192	424
Non-GAAP net revenue	$ 13,782	$ 14,453	$ 14,499
GAAP cost of goods sold	$ 11,062	$ 11,905	$ 12,475
Non-GAAP adjustments:			
Impact of purchase accounting	(3)	(4)	(535)
Amortization of intangibles	(120)	(121)	(114)
Other corporate expenses	(3)	(5)	(70)
Non-GAAP cost of goods sold	$ 10,936	$ 11,775	$ 11,756

Our cash conversion cycle for the fiscal quarter ended January 29, 2016 improved five days when compared to the fiscal quarter ended January 30, 2015, driven by a three day improvement in both DPO and DSO. The increase in DPO was primarily due to the timing of supplier purchases and payments. The decrease in DSO was primarily driven by improved collections performance. We believe our business model allows us to maintain an efficient cash conversion cycle, which compares favorably with that of others in our industry.

Our cash conversion cycle for the fiscal quarter ended January 30, 2015 improved eight days when compared to the fiscal quarter ended January 31, 2014, driven by a seven day improvement in DPO. The improvement in DPO was primarily attributable to favorable changes in our payment terms for certain suppliers. For the fiscal quarter ended January 30, 2015, DSO and DSI were effectively unchanged when compared to the fiscal quarter ended January 31, 2014.

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Capital Commitments

Capital Expenditures During Fiscal 2016 and Fiscal 2015, we spent $482 million and $478 million, respectively, on property, plant, and equipment. These expenditures were primarily incurred in connection with our global expansion efforts and infrastructure investments made to support future growth. Product demand, product mix, and the increased use of contract manufacturers, as well as ongoing investments in operating and information technology infrastructure, influence the level and prioritization of our capital expenditures. Aggregate capital expenditures for Fiscal 2017, which will be primarily related to infrastructure investments and strategic initiatives, are currently expected to total approximately $0.5 billion.

Contractual Cash Obligations

The following table summarizes our contractual cash obligations as of January 29, 2016:

	Payments Due by Period				
	Total	Fiscal 2017	Fiscal 2018-2019	Fiscal 2020-2021	Thereafter
	(in millions)				
Contractual cash obligations:					
Principal payments on borrowings	$ 13,980	$ 2,984	$ 2,545	$ 7,072	$ 1,379
Operating leases	436	126	177	101	32
Purchase obligations	2,487	2,346	140	1	
Interest	2,904	516	897	590	901
Uncertain tax positions (a)					
Contractual cash obligations	$ 19,807	$ 5,972	$ 3,759	$ 7,764	$ 2,312

(a) We have approximately $3.1 billion in additional liabilities associated with uncertain tax positions as of January 29, 2016. Although the timing of resolution and closure of audits is uncertain, we believe it is reasonably possible that tax audit resolutions could result in reductions to the liability of between $300 million and $750 million within the next 12 months. We are unable to estimate the expected payment dates for the remaining portion. See Note 12 of the Notes to the Audited Consolidated Financial Statements of Denali for further discussion regarding tax matters, including the status of income tax audits.

Principal Payments on Borrowings Our expected principal cash payments on borrowings are exclusive of discounts and premiums. We have outstanding long-term notes with varying maturities. As of January 29, 2016, the future principal payments related to structured financing debt were expected to be $2.1 billion in Fiscal 2017 and $1.3 billion in Fiscal 2018-2019. For additional information, see Note 6 of the Notes to the Audited Consolidated Financial Statements of Denali.

Operating Leases We lease property and equipment, manufacturing facilities, and office space under non-cancelable leases. Certain of these leases obligate us to pay taxes, maintenance, and repair costs.

Purchase Obligations Purchase obligations are defined as contractual obligations to purchase goods or services that are enforceable and legally binding on us. These obligations specify all significant terms, including fixed or minimum quantities to be purchased; fixed, minimum, or variable price provisions; and the approximate timing of the transaction. Purchase obligations do not include contracts that may be canceled without penalty.

We utilize several suppliers to manufacture sub-assemblies for our products. Our efficient supply chain management allows us to enter into flexible and mutually beneficial purchase arrangements with our suppliers in order to minimize inventory risk. Consistent with industry practice, we acquire raw materials or other goods and services, including product components, by issuing to suppliers authorizations to purchase based on our projected demand and manufacturing needs. These purchase orders are typically fulfilled within 30 days and are entered into during the ordinary course of business in order to establish best pricing and continuity of supply for our production. Purchase orders are not included in the table above as they typically represent our authorization to purchase rather than binding purchase obligations.

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Interest See Note 6 of the Notes to the Audited Consolidated Financial Statements of Denali for further discussion of our debt and related interest expense.

CRITICAL ACCOUNTING POLICIES

We prepare our financial statements in conformity with GAAP. The preparation of financial statements in accordance with GAAP requires certain estimates, assumptions, and judgments to be made that may affect our Consolidated Statements of Financial Position and Consolidated Statements of Income. Accounting policies that have a significant impact on our Consolidated Financial Statements are described in Note 2 of the Notes to the Audited Consolidated Financial Statements of Denali. The accounting estimates and assumptions discussed in this section are those that we consider to be the most critical. We consider an accounting policy to be critical if the nature of the estimate or assumption is subject to a material level of judgment and if changes in those estimates or assumptions are reasonably likely to materially impact our Consolidated Financial Statements. We have discussed the development, selection, and disclosure of our critical accounting policies with the Audit Committee of our Board of Directors.

Revenue Recognition and Related Allowances We enter into contracts to sell our products and services, and frequently enter into sales arrangements with customers that contain multiple elements or deliverables, such as hardware, services, software, and peripherals. We use general revenue recognition accounting guidance for hardware, software bundled with hardware that is essential to the functionality of the hardware, peripherals, and certain services. We recognize revenue for these products when it is realized or realizable and earned. Revenue is considered realized and earned when persuasive evidence of an arrangement exists; delivery has occurred or services have been rendered; our fee is fixed and determinable; and collection of the resulting receivable is reasonably assured. Judgments and estimates are necessary to ensure compliance with GAAP. These judgments include the allocation of the proceeds received from an arrangement to the multiple elements, and the appropriate timing of revenue recognition.

Revenue from sales of third-party software and extended warranties for third-party products, for which we do not meet the criteria for gross revenue recognition, is recognized on a net basis. All other revenue is recognized on a gross basis.

Services revenue and cost of services revenue captions in our Consolidated Statements of Income include services revenue, third-party software revenue, and support services related to Dell-owned software offerings.

Most of our products and services qualify as separate units of accounting. We allocate revenue to all deliverables based on their relative selling prices. GAAP requires the following hierarchy to be used to determine the selling price for allocating revenue to deliverables; (1) vendor-specific objective evidence, referred to as VSOE; (2) third-party evidence of selling price, referred to as TPE; or (3) best estimate of the selling price, referred to as ESP. In instances where we cannot establish VSOE, we establish TPE by evaluating largely similar and interchangeable competitor products or services in standalone sales to similarly situated customers.

We record reductions to revenue for estimated customer sales returns, rebates, and certain other customer incentive programs. These reductions to revenue are made based upon reasonable and reliable estimates that are determined by historical experience, contractual terms, and current conditions. The primary factors affecting our accrual for estimated customer returns include estimated return rates as well as the number of units shipped that have a right of return that has not expired as of the balance sheet date. If returns cannot be reliably estimated, revenue is not recognized until a reliable estimate can be made or the return right lapses. Each quarter, we reevaluate our estimates to assess the adequacy of our recorded accruals and allowance for doubtful accounts, and adjust the amounts as necessary.

We sell our products directly to customers as well as through other distribution channels, including retailers, distributors, and resellers. Sales through our distribution channels are primarily made under agreements allowing for limited rights of return, price protection, rebates, and marketing development funds. We have generally limited return rights through contractual caps or we have an established selling history for these arrangements. Therefore, there is sufficient data to establish reasonable and reliable estimates of returns for the majority of these sales. To the extent price protection or return rights are not limited and a reliable estimate cannot be made, all of the revenue and related cost are deferred until the product has been sold to the end-user or the rights expire. We record estimated reductions to revenue or an expense for distribution channel programs at the later of the offer or the time revenue is recognized.

We recognize revenue in accordance with industry-specific software accounting guidance for all software and post-contract support, referred to as PCS, that are not essential to the functionality of the hardware. Accounting for software that is essential to the functionality of the hardware is accounted for as specified above. We have not established VSOE for third-party software offerings. For the majority of Dell-owned software offerings, we have established VSOE to support a separation of the software license and PCS elements. VSOE of the PCS element is determined by reference to the prices customers pay for support when it is sold separately. In instances where VSOE is established, we recognize revenue from the sale of software licenses at the time of initial sale, assuming all of the above criteria have been met, and revenue from the PCS element over the maintenance period. When we have not established VSOE to support a separation of the software license and PCS elements, the revenue and related costs are generally recognized over the term of the agreement.

We offer extended warranty and service contracts to customers that extend and/or enhance the technical support, parts, and labor coverage offered as part of the base warranty included with the product. Revenue from extended warranty and service contracts, for which we are obligated to perform, is recorded as deferred revenue and subsequently recognized on a straight-line basis over the term of the contract or ratably as services are completed.

Business Combinations and Intangible Assets Including Goodwill We account for business combinations using the acquisition method of accounting, and accordingly, the assets and liabilities of the acquired business are recorded at their fair values at the date of acquisition. The excess of the purchase price over the estimated fair value is recorded as goodwill. Any changes in the estimated fair values of the net assets recorded for acquisitions prior to the finalization of more detailed analysis, but not to exceed one year from the date of acquisition, will change the amount of the purchase price allocable to goodwill. Any subsequent changes to any purchase price allocations that are material to our consolidated financial results will be adjusted retroactively. All acquisition costs are expensed as incurred and in-process research and development costs are recorded at fair value as an indefinite-lived intangible asset and assessed for impairment thereafter until completion, at which point the asset is amortized over its expected useful life. Separately recognized transactions associated with business combinations are generally expensed subsequent to the acquisition date. The application of business combination and impairment accounting requires the use of significant estimates and assumptions.

The results of operations of acquired businesses are included in our Consolidated Financial Statements from the acquisition date.

Goodwill and indefinite-lived intangible assets are tested for impairment annually during the third fiscal quarter and whenever events or circumstances may indicate that an impairment has occurred. To determine whether goodwill is impaired, we first assess certain qualitative factors. Based on this assessment, if it is determined more likely than not that the fair value of a reporting unit is less than its carrying amount, we perform the quantitative analysis of the goodwill impairment test. We determine the fair values of each of our reportable business units using a discounted cash flow methodology and then compare the fair values to the carrying values of each reportable business unit.

Standard Warranty Liabilities We record warranty liabilities at the time of sale for the estimated costs that may be incurred under the terms of the limited warranty. The liability for standard warranties is included in accrued and other current and other non-current liabilities on the Consolidated Statements of Financial Position. The specific warranty terms and conditions vary depending upon the product sold and the country in which we do business, but generally include technical support, parts, and labor over a period ranging from one to three years. Factors that affect our warranty liability include the number of installed units currently under warranty, historical and anticipated rates of warranty claims on those units, and cost per claim to satisfy our warranty obligation. The anticipated rate of warranty claims is the primary factor impacting our estimated warranty obligation. The other factors are less significant due to the fact that the average remaining aggregate warranty period of the covered installed base is approximately 16 months, repair parts are generally already in stock or available at pre-determined prices, and labor rates are generally arranged at pre-established amounts with service providers. Warranty claims are reasonably predictable based on historical experience of failure rates. If actual results differ from our estimates, we revise our estimated warranty liability to reflect such changes. Each quarter, we reevaluate our estimates to assess the adequacy of the recorded warranty liabilities and adjust the amounts as necessary.

Income Taxes We are subject to income tax in the U.S. and numerous foreign jurisdictions. Significant judgments are required in determining the consolidated provision for income taxes. We calculate a provision for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized by identifying the temporary differences arising from the different treatment of items for tax and accounting purposes. We provide related valuation allowances for deferred tax assets, where appropriate. Significant judgment is required in determining any valuation allowance against deferred tax assets. In assessing the need for a valuation allowance, we consider all available evidence for each jurisdiction, including past operating results, estimates of future taxable income, and the feasibility of ongoing tax planning strategies. In the event we determine all or part of the net deferred tax assets are not realizable in the future, we will make an adjustment to the valuation allowance that would be charged to earnings in the period such determination is made.

Significant judgment is also required in evaluating our uncertain tax positions. While we believe our tax return positions are sustainable, we recognize tax benefits from uncertain tax positions in the financial statements only when it is more likely than not that the positions will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits and a consideration of the relevant taxing authority s administrative practices and precedents. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact the provision for income taxes in the period in which such determination is made. The provision for income taxes includes the impact of reserve provisions and changes to reserves that are considered appropriate, as well as the related net interest and penalties. We believe we have provided adequate reserves for all uncertain tax positions.

Loss Contingencies We are subject to the possibility of various losses arising in the ordinary course of business. We consider the likelihood of loss or impairment of an asset or the incurrence of a liability, as well as our ability to reasonably estimate the amount of loss, in determining loss contingencies. An estimated loss contingency is accrued when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. We regularly evaluate current information available to us to determine whether such accruals should be adjusted and whether new accruals are required. Third parties have in the past asserted, and may in the future assert, claims or initiate litigation related to exclusive patent, copyright, and other intellectual property rights to technologies and related standards that are relevant to us. If any infringement or other intellectual property claim made against us by any third party is successful, or if we fail to develop non-infringing technology or license the proprietary rights on commercially reasonable terms and conditions, our business, operating results, and financial condition could be materially and adversely affected.

Inventories We state our inventory at the lower of cost or market. We record a write-down for inventories of components and products, including third-party products held for resale, which have become obsolete or are in excess of anticipated demand or net realizable value. We perform a detailed review of inventory each fiscal quarter that considers multiple factors, including demand forecasts, product life cycle status, product development plans, current sales levels, and component cost trends. The industries in which we compete are

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subject to demand changes. If future demand or market conditions for our products are less favorable than forecasted or if unforeseen technological changes negatively impact the utility of component inventory, we may be required to record additional write-downs, which would adversely affect our gross margin.

Recently Issued Accounting Pronouncements

See Note 2 of the Notes to the Audited Consolidated Financial Statements of Denali for a summary of recently issued accounting pronouncements that are applicable to our Consolidated Financial Statements.

UNAUDITED QUARTERLY RESULTS

The following tables present selected unaudited consolidated statements of income (loss) for each quarter of Fiscal 2016 and Fiscal 2015:

	Fiscal Year 2016 Successor			
	First Quarter	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
	(in millions, except per share data)			
Net revenue	$ 13,538	$ 13,999	$ 13,667	$ 13,682
Gross margin	$ 2,237	$ 2,468	$ 2,507	$ 2,620
Net income (loss)	$ (504)	$ (265)	$ (180)	$ (155)
Earnings (loss) per share:				
Basic	$ (1.24)	$ (0.65)	$ (0.44)	$ (0.38)
Diluted	$ (1.24)	$ (0.65)	$ (0.44)	$ (0.38)
Weighted-average shares outstanding:				
Basic	405	405	405	405
Diluted	405	405	405	405

	Fiscal Year 2015 Successor			
	First Quarter	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
	(in millions, except per share data)			
Net revenue	$ 14,669	$ 14,825	$ 14,364	$ 14,261
Gross margin	$ 2,557	$ 2,763	$ 2,532	$ 2,356
Net income (loss)	$ (436)	$ (178)	$ (261)	$ (346)
Earnings (loss) per share:				
Basic	$ (1.08)	$ (0.44)	$ (0.64)	$ (0.85)
Diluted	$ (1.08)	$ (0.44)	$ (0.64)	$ (0.85)
Weighted-average shares outstanding:				
Basic	404	405	405	405
Diluted	404	405	405	405

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QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Denali is exposed to a variety of risks, including foreign currency exchange rate fluctuations and changes in the market value of investments. In the normal course of business, Denali employs established policies and procedures to manage these risks.

Foreign Currency Risk

During Fiscal 2016, the principal foreign currencies in which Denali transacted business were the Euro, Chinese Renminbi, Japanese Yen, British Pound, Canadian Dollar and Australian Dollar. Denali s objective in managing its exposures to foreign currency exchange rate fluctuations is to reduce the impact of adverse fluctuations associated with foreign currency exchange rate changes on earnings and cash flows. Accordingly, Denali utilizes foreign currency option contracts and forward contracts to hedge its exposure on forecasted transactions and firm commitments for certain currencies. Denali monitors its foreign currency exchange exposures to ensure the overall effectiveness of its foreign currency hedge positions. However, there can be no assurance that Denali s foreign currency hedging activities will continue to substantially offset the impact of fluctuations in currency exchange rates on the results of operations and financial position in the future.

Based on Denali s foreign currency hedge instruments outstanding, which include designated and non-designated instruments, as of January 29, 2016, there was a maximum potential one-day loss at a 95% confidence level in fair value of approximately $18 million using a Value-at-Risk, referred to as VAR, model. By using market implied rates and incorporating volatility and correlation among the currencies of a portfolio, the VAR model simulates 10,000 randomly generated market prices and calculates the difference between the fifth percentile and the average as the Value-at-Risk. The VAR model is a risk estimation tool and is not intended to represent actual losses in fair value that will be incurred. Additionally, as Denali utilizes foreign currency instruments for hedging forecasted and firmly committed transactions, a loss in fair value for those instruments is generally offset by increases in the value of the underlying exposure.

Interest Rate Risk

Denali is exposed to interest rate risk related to its debt and investment portfolios and financing receivables. Denali mitigates the risk related to its structured financing debt through the use of interest rate swaps to hedge the variability in cash flows related to the interest rate payments on such debt. Based on Denali s variable rate debt portfolio outstanding as of January 29, 2016, a 100 basis point increase in interest rates would result in an increase of approximately $51 million in annual interest expense.

Denali mitigates the risks related to its investment portfolio by investing primarily in high quality credit securities, limiting the amount that can be invested in any single issuer and investing in short-to-intermediate-term investments. Due to the nature of Denali s investment portfolio as of January 29, 2016, a 100 basis point increase or decrease in interest rates would not have a material impact on the fair value of this portfolio.

MANAGEMENT OF DENALI AFTER THE MERGER

Board of Directors

Denali s business and affairs will be managed under the direction of the Denali board of directors. Pursuant to the Denali certificate, as described under *Comparison of Rights of Denali Stockholders and EMC Shareholders Board of Directors Number, Election and Removal of Directors and Filling Vacancies*, and the Denali stockholders agreement, as described under *Certain Relationships and Related Transactions Denali Stockholders Agreement*, the Denali board of directors will consist of three classes, the Group I directors, referred to as the Group I Directors, the Group II directors, referred to as the Group II Directors, and the Group III directors, referred to as the Group III Directors. Following completion of the merger and prior to an initial public offering of DHI Group common stock, Denali s stockholders will be entitled to elect, remove and fill vacancies in respect of members of the Denali board of directors as follows:

Group I Directors. The Group I Directors will initially number three. The holders of Denali common stock (other than the holders of Class D Common Stock) voting together as a single class, will be entitled to elect, vote to remove or fill any vacancy in respect of any Group I Director. The number of Group I Directors can be increased (to no more than seven) or decreased (to no less than three) by action of the Denali board of directors that includes the affirmative vote of (1) a majority of the Denali board of directors, (2) a majority of the Group II Directors and (3) a majority of the Group III Directors. Any newly created directorship on the Denali board of directors with respect to the Group I Directors that results from an increase in the number of Group I Directors may be filled by the affirmative vote of a majority of the Denali board of directors then in office; provided that a quorum is present, and any other vacancy occurring on the Denali board of directors with respect to the Group I Directors may be filled by the affirmative vote of a majority of the Denali board of directors then in office, even if less than a quorum, or by a sole remaining director. A majority of the Denali common stock (other than the Class D Common Stock), voting together as a single class, will be entitled to remove any Group I Director with or without cause at any time. In the event that the Denali board of directors consists of a number of directors entitled to an aggregate amount of votes that is less than seven, the number of Group I Directors will automatically be increased to such number as is necessary to ensure that the voting power of the Denali board of directors is equal to an aggregate of seven votes (assuming, for each such calculation, full attendance by each director). The number of votes the Group I Directors, the Group II Directors and the Group III Directors are respectively entitled to is described below.

Group II Directors. The Group II Directors will initially number one. Until a Designation Rights Trigger Event (as defined under *Comparison of Rights of Denali Stockholders and EMC Shareholders Definitions*) has occurred with respect to the Class A Common Stock, the holders of Class A Common Stock will have the right, voting separately as a class, to elect up to three Group II Directors, and, voting separately as a class, will solely be entitled to elect, vote to remove without cause or fill any vacancy in respect of any Group II Director. Upon the occurrence of a Designation Rights Trigger Event with respect to the Class A Common Stock, the rights of the Class A Common Stock described in this paragraph will immediately terminate and no right to elect Group II Directors will thereafter attach to the Class A Common Stock. The number of Group II Directors may be increased (to no more than three) by action of the Group II Directors or vote of the holders of Class A Common Stock, voting separately as a class, or decreased (to no less than one) by vote of the holders of Class A Common Stock, voting separately as a class. In the case of any vacancy or newly created directorship occurring with respect to the Group II Directors, such vacancy will only be filled by the vote of the holders of the outstanding Class A Common Stock, voting separately as a class. The holders of Class A Common Stock, voting separately as a class, will be entitled to remove any Group II Director with or without cause at any time.

Group III Directors. The Group III Directors will initially number two. Until a Designation Rights Trigger Event (as defined under *Comparison of Rights of Denali Stockholders and EMC*

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Shareholders Definitions) has occurred with respect to the Class B Common Stock, the holders of Class B Common Stock will have the right, voting separately as a class, to elect up to three Group III Directors, and, voting separately as a class, will solely be entitled to elect, vote to remove without cause or fill any vacancy in respect of any Group III Director. Upon the occurrence of a Designation Rights Trigger Event with respect to the Class B Common Stock, the rights of the Class B Common Stock described in this paragraph will immediately terminate and no right to elect Group III Directors will thereafter attach to the Class B Common Stock. The number of Group III Directors may be increased (to no more than three) by action of the Group III Directors or vote of the holders of Class B Common Stock, voting separately as a class, or decreased (to no less than one) by vote of the holders of Class B Common Stock, voting separately as a class. In the case of any vacancy or newly created directorship occurring with respect to the Group III Directors, such vacancy or newly created directorship will only be filled by the vote of the holders of the outstanding Class B Common Stock, voting separately as a class. The holders of Class B Common Stock, voting separately as a class, will be entitled to remove any Group III Director with or without cause at any time.

Elections of the members of the Denali board of directors will be held annually at the annual meeting of Denali stockholders and each director will be elected for a term commencing on the date of that director s election and ending on the earlier of (1) the date that director s successor is elected and qualified, (2) the date of that director s death, resignation, disqualification or removal, (3) solely in the case of the Group II Directors, the occurrence of a Designation Rights Trigger Event (as defined under *Comparison of Rights of Denali Stockholders and EMC Shareholders Definitions*) with respect to the Class A Common Stock and (4) solely in the case of the Group III Directors, the occurrence of a Designation Rights Trigger Event with respect to the Class B Common Stock.

In addition, pursuant to the Denali certificate and the Denali stockholders agreement, the Group I Directors, the Group II Directors and the Group III Directors will be entitled to the following number of votes while serving on the Denali board of directors:

each Group I Director will be entitled to cast one vote;

each Group II Director will be entitled to cast that number of votes (or a fraction thereof) equal to the quotient obtained by dividing (1) the Aggregate Group II Director Votes (as defined under *Comparison of Rights of Denali Stockholders and EMC Shareholders Definitions*), which will initially equal seven (7), by (2) the number of Group II Directors then in office; and

each Group III Director will be entitled to cast that number of votes (or a fraction thereof) equal to the quotient obtained by dividing (1) the Aggregate Group III Director Votes (as defined under *Comparison of Rights of Denali Stockholders and EMC Shareholders Definitions*), which will initially equal three (3), by (2) the number of Group III Directors then in office.

Michael S. Dell will be the sole Group II Director immediately following completion of the merger and Mr. Dell will therefore possess enough votes as a director to pass any matter submitted to a vote of the Denali board of directors other than those matters that also require the approval of the Capital Stock Committee or the audit committee. Egon Durban and Simon Patterson are expected to be the sole Group III Directors following the completion of the merger.

Pursuant to the Denali stockholders agreement, the MD stockholders and the SLP stockholders will agree to vote their shares in favor of the Group I Director nominees they jointly designate.

The composition of the Denali board of directors will be governed pursuant to the terms of the Denali certificate and the Denali stockholders agreement, pursuant to which the board of directors immediately following completion of the merger is expected to consist of Mr. Dell as the sole initial Group II Director and Messrs. Durban and Patterson as the initial Group III Directors.

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Denali does not expect to identify all of the initial Group I Directors before the special meeting. However, Denali is obligated under the merger agreement to appoint all of the initial Group I Directors as of the completion of the merger. Denali will disclose the identities of the Group I Directors in the public filings it makes with the SEC when they are determined but in any event before the completion of the merger. Each of the Group I Directors is expected to qualify as independent under the current listing standards of the NYSE and SEC rules and regulations.

The following table summarizes certain features relating to the election, number and voting power of members of the Denali board of directors:

Denali Director Group	Stockholders Entitled to Vote in Election of Such Director Group: Series	Stockholders Entitled to Vote in Election of Such Director Group: % of Total Votes Expected to Be Cast in Director Election	Initial Number of Directors Constituting Such Director Group	Total Number of Votes Initially Entitled to be Cast by Director Group	Initial Percentage of Board Votes by Director Group
Group I	Class A	73%	Three	Three (one per Group I director)	23%
	Class B	23%			
	Class C	*			
	Class V	4%			
Group II	Class A	100%	One (Mr. Dell)	Seven (regardless of the number of Group II directors)	54%
Group III	Class B	100%	Two (Messrs. Durban and Patterson)	Three (regardless of the number of Group III directors)	23%

* Less than 1%.

Director Independence

Because Denali will be a controlled company under the rules of the NYSE, Denali is not required to have a majority of the Denali board of directors consist of independent directors, as defined under the rules of the NYSE, nor is the Denali board of directors required to include a compensation committee or a nominating and corporate governance committee. Denali does not expect that a majority of its directors following completion of the merger will be independent directors. If such rules change in the future or Denali no longer satisfies the requirements necessary to be a controlled company under applicable NYSE rules, Denali will change the composition of its board of directors and its committees accordingly in order to comply with such rules.

Committees of the Board of Directors

Upon completion of the merger, the Denali board of directors will establish an executive committee, an audit committee and a capital stock committee composed of the directors set forth below. Pursuant to the Denali stockholders agreement, until a Designation Rights Trigger Event (as defined under *Comparison of Rights of Denali Stockholders and EMC Shareholders Definitions*) has occurred with respect to the Class A Common Stock, each committee of the Denali board of directors other than the audit committee and the capital stock committee will include at least one Group II Director and, until a Designation Rights Trigger Event has occurred with respect to the Class B Common Stock, each committee of the Denali board of directors other than the audit committee and the capital stock committee will include at least one Group III Director. Each committee of the Denali board of directors will further include such additional members as determined by the Denali board of directors.

The composition and responsibilities of each of the committees of the Denali board of directors is further described below. Members will serve on these committees until their resignation or, subject to the membership requirements described above, until otherwise determined by the Denali board of directors.

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Audit Committee

The audit committee of the Denali board of directors is expected to initially consist of the directors to be appointed as Group I Directors prior to the completion of the merger. Under the rules of the NYSE, the membership of the audit committee will be required to consist entirely of independent directors, subject to applicable phase-in periods. Pursuant to the shareholders agreements, the membership of the audit committee will be required to consist entirely of the Group I Directors, each of whom are required to be independent under the current listing standards of the NYSE and SEC rules and regulations (as determined by the Denali board of directors). Each member of the audit committee of the Denali board of directors will meet the financial literacy requirements of the listing standard of the NYSE and one member of the audit committee will be a financial expert within the meaning of Item 407(d) of Regulation S-K under the Securities Act. The audit committee of the Denali board of directors will, among other things:

- elect a qualified firm to serve as the independent registered public accounting firm to audit Denali s financial statements;
- help to ensure the independence and performance of the independent registered public accounting firm;
- discuss the scope and results of the audit with the independent registered public accounting firm, and review, with management and the independent registered public accounting firm, Denali s interim and year-end operating results;
- develop procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- review Denali s policies on risk assessment and risk management;
- review related party transactions;
- obtain and review a report by the independent registered public accounting firm at least annually, that describes Denali s internal control procedures, any material issues with such procedures, and any steps taken to deal with such issues; and
- approve (or, as permitted, pre-approve) all audit and all permissible non-audit services, other than *de minimis* non-audit services, to be performed by the independent registered public accounting firm.

The audit committee will operate under a written charter, to be effective prior to the completion of the merger, that satisfies the applicable rules of the SEC and the listing standards of the NYSE.

Capital Stock Committee

Pursuant to the Denali certificate and the Denali bylaws, the capital stock committee will consist of a majority of independent directors under the listing standards of the NYSE and SEC rules and regulations (as determined by the Denali board of directors). The membership of the capital stock committee of the Denali board of directors is expected to be determined prior to the completion of the merger. Each director serving on the capital stock committee will have one vote on all matters presented to such committee.

The capital stock committee will have such powers, authority and responsibilities as may be granted by the Denali board of directors in connection with the adoption of general policies governing the relationship between business groups or otherwise, including such powers, authority and responsibilities granted by the Denali board of directors with respect to, among other things: (1) the business and financial relationships between the DHI Group (or any business or subsidiary allocated to it) and the Class V Group (or any business or subsidiary allocated to it) and (2) any matters arising in connection therewith.

In addition, the Denali board of directors may not approve any (1) investment made by or attributed to the Class V Group, including any investment of any dividends received on the VMware common stock attributed to

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the Class V Group, other than (i) investments made by VMware or (ii) any reallocation related to the Retained Interest Dividend Amount or Retained Interest Redemption Amount, (2) allocation of any acquired assets, businesses or liabilities to the Class V Group, (3) allocation or reallocation of any assets, businesses or liabilities from one group to the other (other than a pledge of any assets of one group to secure obligations of the other, or any foreclosure on the assets subject to such a pledge), or (4) resolution, or the submission to the Denali stockholders of any resolution, setting forth an amendment to the Denali certificate to increase the number of authorized shares of Class V Common Stock or any series thereof at any time the common stock of VMware is publicly traded and VMware is required to file reports under Sections 13 and 15(d) of the Exchange Act, in each case, without the approval of the capital stock committee. Any determination by the Denali board to amend, modify or rescind such general policies may only become effective with the approval of the capital stock committee.

Finally, for so long as any shares of Class V Common Stock remain outstanding, the provisions of the Denali bylaws creating the capital stock committee may not be amended or repealed (1) by the Denali stockholders unless such action has received the affirmative vote of the holders of record (other than shares held by Denali s affiliates), as of the record date for the meeting at which such vote is taken, of (i) Class V Common Stock representing a majority of the aggregate voting power (other than shares held by the Denali s affiliates) of Class V Common Stock present at such meeting and entitled to vote thereon voting together as a separate class and (ii) Denali common stock representing a majority of the aggregate voting power of the Denali common stock present, in person or by proxy, at such meeting and entitled to vote thereon or (2) by any action of the Denali board. See *Description of Denali Tracking Stock Policy*.

Executive Committee

Pursuant to the Denali stockholders agreement, the executive committee will consist entirely of at least one Group II Director and one Group III Director. Following completion of the merger, the executive committee of the Denali board of directors is expected to initially consist of Messrs. Dell and Durban. The voting power of the Group II Directors and Group III Directors on the executive committee will be proportionate to their respective voting power on the Denali board of directors. The executive committee of the Denali board of directors will, among other things,

- provide our executive officers with advice and input regarding the operations and management of our business; and
- consider and make recommendations to the Denali board of directors regarding Denali s business strategy.

The executive committee of the Denali board of directors will be delegated the power and authority of the Denali board of directors over the following matters to the fullest extent permitted under Delaware law:

- review and approval of acquisitions and dispositions by Denali and its subsidiaries, to the extent requiring approval of the Denali board of directors and excluding dispositions of shares of VMware common stock;
- review and approval of the annual budget and business plan of Denali and its subsidiaries;

the incurrence of indebtedness by Denali and its subsidiaries, to the extent that such incurrence requires approval of the Denali board of directors;

the entering into of material commercial agreements, joint ventures and strategic alliances by Denali and its subsidiaries;

acting as the compensation committee of the Denali board of directors, including (1) reviewing and approving compensation policy for Denali s senior executives and directors and approving (or making recommendations to the full Denali board of directors to approve) cash and equity compensation for Denali s senior executives and directors, (2) the appointment and removal of senior executives of

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Denali and its subsidiaries, (3) reviewing and approving recommendations regarding aggregate salary and bonus budgets and guidelines for other employees, and (4) acting as administrator of Denali s equity and cash compensation plans;

the adoption of employee benefit plans by Denali and its subsidiaries, to the extent that such action requires approval of the Denali board of directors;

the redemption or repurchase by Denali of DHI Group common stock;

the commencement and settlement by Denali and its subsidiaries of material litigation; and

such other matters as may be delegated by the Denali board of directors to the executive committee.

Management Information

The following table sets forth the name, age as of May 15, 2016, and expected position of each person who is anticipated as of the date of this proxy statement/prospectus to serve as an executive officer or director of Denali after the completion of the merger.

Name	Age	Position
Michael S. Dell	51	Chief Executive Officer, Chairman of the Board and Group II Director
Jeremy Burton	48	Chief Marketing Officer
Jeffrey W. Clarke	53	Vice Chairman and President, Operations and Client Solutions
Howard D. Elias	58	President, Global Services and IT
David I. Goulden	56	President, Enterprise Systems Group
Marius Haas	49	President and Chief Commercial Officer
Steven H. Price	54	Chief Human Resources Officer
Karen H. Quintos	52	Chief Customer Officer
Rory Read	54	Chief Integration Officer
Richard J. Rothberg	53	General Counsel
John A. Swainson	61	President, Dell Software
Thomas W. Sweet	56	Chief Financial Officer
Suresh C. Vaswani	56	President, Dell Services
Egon Durban	42	Group III Director
Simon Patterson	43	Group III Director

Additional information about the individuals who will serve as executive officers or directors after the completion of the merger is set forth below. Also described below are the experience, qualifications, attributes and skills of each individual who will serve as a director after the merger that our board of directors considered in determining that such individual should serve on the board.

Michael S. Dell Mr. Dell serves as Chairman of the Board and Chief Executive Officer of Dell and, since the closing of Dell s going-private transaction in October 2013, Denali. Mr. Dell has held the title of Chairman of the Board of Dell since he founded the company in 1984. Mr. Dell also served as Chief Executive Officer of Dell Inc. from 1984 until July 2004 and resumed that role in January 2007. In 1998, Mr. Dell formed MSD Capital for the purpose of managing his and his family s investments, and, in 1999, he and his wife established the Michael & Susan Dell Foundation to provide philanthropic support to a variety of global causes. He is an honorary member of the Foundation Board of the World Economic Forum and is an executive committee member of the International Business Council. He serves as a member of the Technology CEO Council and is a member of the U.S. Business Council and the Business Roundtable. He also serves on the governing board of the Indian School of Business in Hyderabad, India, and is a board member of Catalyst, Inc., a non-profit organization that promotes inclusive workplaces for women. In June 2014, Mr. Dell was named the United Nations foundation s first Global Advocate for Entrepreneurship. See *Settlement of SEC Proceeding with Mr. Dell*

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below for information about legal proceedings to which Mr. Dell has been a party. The board selected Mr. Dell to serve as a director because of his leadership experience as founder, chairman and Chief Executive Officer of Dell and his deep technology industry experience.

Jeremy Burton Mr. Burton is expected to serve as the Chief Marketing Officer of Denali after the completion of the merger, responsible for brand, events, marketing analytics and communications. Mr. Burton has been EMC s President, Products and Marketing since March 2014. He was Executive Vice President, Product Operations and Marketing from July 2012 to March 2014. Mr. Burton joined EMC in March 2010 as Chief Marketing Officer. Prior to joining EMC, Mr. Burton was President and Chief Executive Officer of Serena Software, Inc., a global independent software company. Previously, Mr. Burton was Group President of the Security and Data Management Business Unit of Symantec Corporation, a provider of security, storage and systems management solutions, where he was responsible for the company s $2 billion Enterprise Security product line. Prior to his service in that role, he served as Executive Vice President of the Data Management Group at VERITAS Software Corporation (now a part of Symantec) where he was responsible for the company s backup and archiving products. He also served as the Chief Marketing Officer of VERITAS. Earlier in his career, Mr. Burton spent nearly a decade at Oracle Corporation, a large enterprise software company, ultimately in the role of Senior Vice President of Product and Services Marketing.

Jeffrey W. Clarke Mr. Clarke is expected to serve as Vice Chairman and President, Operations and Client Solutions after the completion of the merger, leading the global supply chain and client solutions organizations. Mr. Clarke has served in this role since January 2009, in which he has been responsible for global manufacturing, procurement and supply chain activities worldwide, as well as the engineering, design and development of desktop PCs, notebooks, and workstations for customers ranging from consumers and small and medium-sized businesses to large corporate enterprises. In addition, Mr. Clarke currently leads customer support, sales operations, commerce services functions, and IT planning and governance globally for Dell. From January 2003 until January 2009, Mr. Clarke served as Senior Vice President, Business Product Group. From November 2001 to January 2003, Mr. Clarke served as Vice President and General Manager, Relationship Product Group. In 1995, Mr. Clarke became the director of desktop development. Mr. Clarke joined Dell in 1987 as a quality engineer and has served in a variety of other engineering and management roles.

Howard D. Elias Mr. Elias is expected to serve as President, Global Services and IT, after the completion of the merger. Mr. Elias has been EMC s President and Chief Operating Officer, Global Enterprise Services since January 2013 and was President and Chief Operating Officer, EMC Information Infrastructure and Cloud Services from September 2009 to January 2013. Since October 2015, Mr. Elias has also been responsible for leading the development of EMC s integration plans in connection with the proposed transaction with Denali. Previously, Mr. Elias served as President, EMC Global Services and EMC Ionix from September 2007 to September 2009. Mr. Elias served as Executive Vice President, Global Services and Resource Management Software Group from May 2006 to September 2007 and served as Executive Vice President, Global Marketing and Corporate Development from January 2006 to May 2006. He served as Executive Vice President, Corporate Marketing, Office of Technology and New Business Development from January 2004 to January 2006. Prior to joining EMC, Mr. Elias served in various capacities at Hewlett-Packard Company, a provider of information technology products, services and solutions for enterprise customers, most recently as Senior Vice President of Business Management and Operations in the Enterprise Systems Group. Mr. Elias is a director of TEGNA Inc., which is comprised of a dynamic portfolio of media and digital businesses.

David I. Goulden Mr. Goulden is expected to serve as President, Enterprise Systems Group after the completion of the merger, responsible for the global infrastructure organization, including servers, storage, networking, converged infrastructure and solutions. Mr. Goulden has been EMC s Chief Executive Officer of EMC Information Infrastructure business since January 2014. Prior to his service in that role, he was President and Chief Operating Officer, overseeing

EMC s business units as well as Global Sales and Customer Operations, Global Services, Global Marketing and G&A functions, since July 2012. Mr. Goulden previously served as Executive Vice President and Chief Financial Officer from August 2006 to July 2012 and as Executive Vice

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President, Customer Operations from April 2004 to August 2006. He also served as Executive Vice President, Customer Solutions and Marketing and New Business Development from November 2003 to April 2004. Prior to joining EMC in 2002, Mr. Goulden served in various capacities at Getronics N.V., an information technology services company, most recently as a member of the Board of Management, President and Chief Operating Officer for the Americas and Asia Pacific.

Marius Haas Mr. Haas is expected to serve as Denali s President and Chief Commercial Officer after the completion of the merger, responsible for the global go-to-market organization serving commercial customers. Mr. Haas has been Chief Commercial Officer and President, Enterprise Solutions since 2012, leading the Dell sales and marketing teams in delivering innovative and practical technology solutions to consumers, small and medium-sized businesses, Dell partners, public institutions and large enterprises worldwide. He is also responsible for worldwide engineering, design, development and marketing of Dell enterprise products, including servers, networking and storage systems. Mr. Haas came to Dell in 2012 from Kohlberg Kravis Roberts & Co. L.P, a global investment firm, where he was responsible for identifying and pursuing new investments, with a particular focus on the technology sector, and was responsible for supporting existing portfolio companies with operational expertise. Before his service in that role, Mr. Haas served at Hewlett-Packard Networking Division as Senior Vice President and Worldwide General Manager from 2008 to 2011 and as Senior Vice President of Strategy and Corporate Development from 2003 to 2008. Mr. Haas serves on the Board of Directors for the US-China Business Council.

Steven H. Price Mr. Price is expected to serve as Denali s Chief Human Resources Officer after the completion of the merger, responsible for overall human resources strategy in support of the purpose, values and business initiatives of Denali. He will also responsible for developing and driving people strategy and fostering an environment where the global Dell team thrives. Mr. Price has been Dell s Senior Vice President, Human Resources since June 2010. Mr. Price joined Dell in February 1997 and has played leadership roles throughout the HR organization, including Vice President of HR for the global Consumer business, Global Talent Management and Americas Human Resources. From November 2006 until June 2010, he served as Vice President, Human Resources Dell Global Consumer Group. Mr. Price served as Vice President, Human Resources Dell Americas Business Group from January 2003 until November 2006, as Vice President, Human Resources Global HR Operations from July 2001 until January 2003, and as Vice President, Human Resources Dell EMEA from May 1999 until July 2001. Prior to joining Dell in 1997, Mr. Price spent 13 years with SC Johnson Wax, a producer of consumer products based in Racine, Wisconsin. Having started his career there in sales, he later moved into HR, where he held a variety of senior positions.

Karen H. Quintos Ms. Quintos is expected to serve as Chief Customer Officer for Denali, responsible for leading revenue and margin-enhancing programs, ensuring consistent customer experience across multiple channels, and driving strategies to strengthen and build profitable customer relationships. Ms. Quintos will also lead corporate citizenship, including social responsibility, entrepreneurship and diversity. Ms. Quintos has been Senior Vice President and Chief Marketing Officer (CMO) for Dell since September 2010, where she led marketing for Dell s global commercial business, brand strategy, global communications, social media, corporate responsibility, customer insights, marketing talent development and agency management. Before becoming CMO, Ms. Quintos served as Vice President of Dell s global public business, from January 2008 to September 2010, and was responsible for driving global marketing strategies, product and pricing programs, communications, and channel plans. She has also held various executive roles in marketing to small and medium-sized businesses and in Dell s Services and Supply Chain Management teams since joining Dell in 2000. She came to Dell from Citigroup, Inc., an investment banking and financial services company, where she served as Vice President of Global Operations and Technology. She also spent 12 years with Merck & Co., a manufacturer and distributor of pharmaceuticals, where she held a variety of leadership roles in marketing, planning, operations, and supply chain management. She has served on multiple boards of directors and currently serves on the boards of Lennox International, the Susan G. Komen for the Cure, and Penn State s Smeal Business School.

Rory Read Mr. Read serves as Denali s Chief Integration Officer, and is expected to continue to serve as Denali s Chief Integration Officer after the completion of the merger. Mr. Read has served in his present role since October 2015, and is responsible for leading the development of Denali s integration plans in connection with the proposed transaction with EMC. Mr. Read joined Denali in March 2015, acting as Chief Operating Officer and President of Worldwide Commercial Sales, where he was responsible for cross-business unit and country-level operational planning, building and leading Dell s best-in-class sales engine, and overseeing the strategy for the company s global channel team, system integrator partners and direct sales force. Prior to joining Dell, Mr. Read served as President and Chief Executive Officer at Advanced Micro Devices, Inc., a technology company, from August 2011 to October 2014, where he also served as a member of the board of directors. Before that service, he spent over five years as President and Chief Operating Officer at Lenovo Group Ltd., a computer technology company, and also held various leadership roles at International Business Machines Corporation (IBM), a technology and consulting company, for 23 years.

Richard J. Rothberg Mr. Rothberg serves as General Counsel and Secretary for Denali. In this role, in which he has served since November 2013, Mr. Rothberg oversees the global legal department and manages government affairs, and compliance and ethics for Denali and Dell. He is also responsible for global security. Mr. Rothberg joined Dell in 1999 and has served in key leadership roles in the legal department. He served as Vice President of Legal, supporting business in the Europe, Middle East and Africa region before moving to Singapore in 2008 as Vice President of Legal for the Asia-Pacific and Japan region. Mr. Rothberg returned to the United States in 2010 to serve as Vice President of Legal for the North America and Latin America regions. In this role, he was lead counsel for sales and operations in the Americas and for the enterprise solutions, software and end-user computing business units. He also led the government affairs organization worldwide. Prior to joining Dell, Mr. Rothberg spent nearly eight years in senior legal roles at Caterpillar Inc., an equipment manufacturing company, and was also an attorney for IBM Credit Corporation and for Rogers & Wells, a law firm.

John A. Swainson Mr. Swainson joined Dell in February 2012. He currently serves as President of Dell s Software Group. Immediately prior to joining Dell, Mr. Swainson was a Senior Advisor to Silver Lake Partners, a global private equity firm, from May 2010 to February 2012. From February 2005 until December 2009, Mr. Swainson served as Chief Executive Officer and Director of CA, Inc., an enterprise software company. Before joining CA, Inc., Mr. Swainson worked for IBM for over 26 years, where he held various management positions in the United States and Canada, including seven years in the role of General Manager of the Application Integration Middleware Division. Mr. Swainson currently serves on the board of directors of Visa Inc., a financial services corporation. Mr. Swainson also served on the boards of directors of Cadence Design Systems, Inc., a software and engineering services company, from February 2006 to May 2012, Assurant Inc., an insurance company, from May 2010 to May 2012, and Broadcom Corporation, a semi-conductor company in the communications business, from August 2010 to May 2012.

Thomas W. Sweet Mr. Sweet serves as Chief Financial Officer of Denali. In this role, in which he has served since January 2014, he is responsible for all aspects of Dell s finance function, including accounting, financial planning and analysis, tax, treasury and investor relations, and for corporate strategy and development. Mr. Sweet joined Dell in 1997 and served in a variety of finance leadership roles, including as corporate controller and chief accounting officer from May 2007 to January 2014. Prior to his service in those roles, Mr. Sweet served as Finance Vice President responsible for overall finance activities within the corporate business, education, government and healthcare business units of Dell. Mr. Sweet also has served as head of internal audit. Prior to joining Dell, Mr. Sweet was Vice President, Accounting and Finance, for Telos Corporation, an information technology consulting company and, before assuming that position, spent 13 years with Price Waterhouse, a professional services firm, in a variety of roles primarily focused on providing audit and accounting services to the technology industry.

Suresh C. Vaswani Mr. Vaswani joined Dell in April 2011, and was named President of Services, the global IT services and business solutions unit of Dell, in December 2012. With over 25 years of leadership experience in the global IT industry, he provides strategic leadership to grow and expand Dell Services and is responsible for developing and delivering end-to-end scalable IT services and business solutions that help customers accelerate innovation and achieve business results. From April 2011 to December 2012, Mr. Vaswani led the global Applications & Business Process Outsourcing services business for Dell Services, where he was responsible for building solutions for the future, utilizing next-generation technologies and service models. His additional responsibilities include service as Chairman of Dell India. Prior to joining Dell, Mr. Vaswani was joint-CEO of the IT business of Wipro Limited, a software and technology services provider, and served as a member of the board of directors of that company.

Egon Durban Mr. Durban has been a member of the boards of directors of Dell and Denali since the closing of Dell s going-private transaction in October 2013. Mr. Durban is a Managing Partner and Managing Director of Silver Lake Partners, a global private equity firm. Mr. Durban joined Silver Lake Partners in 1999 as a founding principal and is based in the firm s Menlo Park office. He has previously worked in the firm s New York office, as well as the London office, which he launched and managed from 2005 to 2010. Mr. Durban serves on the board of directors of Intelsat S.A., a communications satellite services provider, and is chairman of the board of directors of William Morris Endeavor Entertainment, an entertainment and media company. Previously, he served on the board of directors of Skype Global S.à r.l., a communications services provider, was the chairman of its operating committee, served on the supervisory board and operating committee of NXP B.V., a manufacturer of semiconductor chips, and served on the board of directors of MultiPlan Inc., a provider of healthcare cost management solutions. Mr. Durban currently serves on the board of directors of Tipping Point, a poverty-fighting organization that identifies and funds leading non-profit programs in the Bay Area to assist individuals and families in need. Prior to joining Silver Lake Partners, Mr. Durban worked in Morgan Stanley s investment banking division. While at Morgan Stanley, Mr. Durban organized and led a joint initiative between the Corporate Finance Technology Group and the Mergers and Acquisitions Financial Sponsors Group to analyze and present investment opportunities in the technology industry. Previously, Mr. Durban worked in Morgan Stanley s Corporate Finance Technology and Equity Capital Markets groups. The board selected Mr. Durban to serve as a director because of his strong experience in technology and finance, and his extensive knowledge of and years of experience in global strategic leadership and management of multiple companies.

Simon Patterson Mr. Patterson has been a member of the boards of directors of Dell and Denali since the closing of Dell s going-private transaction in October 2013. Mr. Patterson is a Managing Director of Silver Lake Partners, which he joined in 2005. Mr. Patterson previously worked at Global Freight Exchange Limited, an electronic information and reservation systems for the air freight industry that was acquired by Descartes Systems Group, the Financial Times Group, a provider of business information, news and services, and McKinsey & Company, a management consulting firm. Mr. Patterson also serves on the boards of directors of Intelsat S.A. and N Brown Group plc, a digital fashion retailer, and on the board of trustees of the U.K. Natural History Museum. Previously, he served on the boards of directors of Skype Global S.à r.l., Gerson Lehrman Group, Inc., an online platform for professional learning, and MultiPlan, Inc. The board selected Mr. Patterson to serve as a director because of his extensive knowledge of and years of experience in finance, technology and global operations.

Settlement of SEC Proceeding with Mr. Dell

On October 13, 2010, a federal district court approved settlements by Dell and Mr. Dell with the SEC resolving an SEC investigation into Dell s disclosures and alleged omissions before fiscal year 2008 regarding certain aspects of its commercial relationship with Intel Corporation and into separate accounting and financial reporting matters. Dell and Mr. Dell entered into the settlements without admitting or denying the allegations in the SEC s complaint, as is consistent with common SEC practice. The SEC s allegations with respect to Mr. Dell and his settlement were limited to the alleged failure to provide adequate disclosures with respect to Dell s commercial relationship with Intel Corporation prior to fiscal year 2008. Mr. Dell s settlement did not involve any of the separate accounting fraud charges settled by Dell and others. Moreover, Mr. Dell s settlement was limited to claims in which only negligence, and not fraudulent intent, is required to establish liability, as well as secondary liability claims for other non-fraud charges. Under his settlement, Mr. Dell consented to a permanent injunction against future violations of these negligence-based provisions and other non-fraud based provisions related to periodic reporting. Specifically, Mr. Dell consented to be enjoined from violating Sections 17(a)(2) and (3) of the Securities Act and Rule 13a-14 under the Exchange Act, and from aiding and abetting violations of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1 and 13a-13 under the Exchange Act. In addition, Mr. Dell agreed to pay a civil monetary penalty of $4 million, which has been paid in full. The settlement did not include any restrictions on Mr. Dell s continued service as an officer or director of Dell.

Director Independence

Subject to an exemption available to a controlled company, the rules of the NYSE require that a majority of a listed company s board of directors be composed of independent directors, as defined in those rules, and that such independent directors exercise oversight responsibilities with respect to director nominations and executive compensation. Such rules define a controlled company as a company of which more than 50% of the voting power is held by an individual, a group or another company. After the completion of the merger, Mr. Dell, Silver Lake Partners and their respective affiliates constitute a group that will beneficially own shares of Denali s Class A Common Stock representing more than 50% of voting power of Denali s shares eligible to vote in the election of Denali s directors. Denali will therefore qualify as a controlled company and will be able to rely on the controlled company exemption from these provisions.

In reliance on the controlled company exemption, Denali expects that after the merger it will not have a board consisting of a majority of independent directors and that it will not establish fully independent compensation and nominating committees. Accordingly, you may not have the same protections afforded to stockholders of companies such as EMC that are subject to all of these corporate governance requirements. In the event that Denali ceases to be a controlled company and the Class V Common Stock continues to be listed on the NYSE, Denali will be required to comply with these provisions within the applicable transition periods. Even though Denali will be a controlled company for purposes of the rules of the NYSE, it will be required to comply with the rules of the SEC and the NYSE relating to the membership, qualifications and operations of the audit committee of the board of directors, including the requirement that, after an initial phase-in period, the audit committee be composed of at least three directors who meet the independence requirements under the rules for membership on that committee. Denali expects that each individual initially appointed to serve as Group I Directors after the merger will serve on Denali s audit committee, will qualify as an independent director and will satisfy the other requirements for audit committee membership under such rules.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis of Denali

Introduction

The following discussion is intended to provide stockholders with an understanding of Denali s compensation philosophy, its core principles and the compensation in effect during the fiscal year ended January 29, 2016, or Fiscal 2016, for the executive officers of Denali who are both (1) among the executive officers identified in the Summary Compensation Table and (2) expected to be executive officers of Denali following the completion of the merger. We refer to the executive officers identified in the Summary Compensation Table as the Denali named executive officers, or Denali NEOs.

As described above under *Management of Denali After the Merger Management Information*, David I. Goulden and Jeremy Burton are also expected to be executive officers of Denali following the completion of the merger. Based on the total compensation paid by EMC to Messrs. Goulden and Burton for EMC s most recent fiscal year, both individuals would have been NEOs of Denali for Fiscal 2016 had they been serving as executive officers of Denali as of the last day of Fiscal 2016. For more information about the compensation paid by EMC to these individuals for the EMC fiscal year ended December 31, 2015, see EMC s annual report on Form 10-K/A for the year then ended, which is incorporated by reference into this proxy statement/prospectus. We refer to Messrs. Goulden and Burton, collectively with the Denali NEOs, as the NEOs.

Executive Compensation Philosophy and Core Objectives

The compensation committee of the board of directors of Denali and of the board of directors of Dell, referred to collectively as the Compensation Committee, is responsible for reviewing, approving and administering compensation programs for executive officers that ensure an appropriate link between pay and performance, while appropriately balancing risk. The Compensation Committee seeks to increase stockholder value by rewarding performance and ensuring that Denali can attract and retain the best executive talent through adherence to the following core compensation objectives:

- aligning the interests of executive officers with those of Denali s owners by emphasizing long-term, performance-dependent compensation;
- providing appropriate cash incentives for achieving Denali s financial goals and strategic objectives;
- creating a culture of meritocracy by linking awards to individual and company performance; and
- providing compensation opportunities that are competitive with companies with which Denali competes for talent.

Following the completion of the merger, the Compensation Committee is expected to initially consist of Messrs. Dell and Durban.

Executive Officer Compensation

Elements of Total Compensation Package The primary components of Denali s compensation program for executive officers consist of base salary, annual incentive bonuses, long-term equity and cash incentives, benefits and limited perquisites, as discussed below. Denali does not target a fixed mix of pay for executive officers, but instead evaluates each executive officer individually, and may consider factors such as individual responsibility, market practices, and internal equity considerations. Because executive officers are in a position to directly influence Denali s performance, a significant portion of their compensation is delivered in the form of short-term and long-term incentives.

Compensation Consultants The Compensation Committee did not engage independent compensation consultants to advise on executive officer compensation matters for Fiscal 2016.

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Process for Evaluating Executive Officer Compensation Each year, Denali s management, including Mr. Dell, conducts a subjective evaluation of each executive officer s performance and then makes a recommendation to the Compensation Committee regarding compensation payable to such officer for the current year. The Compensation Committee, of which Mr. Dell currently is a member, then determines the individual compensation elements and amount of each element for Mr. Dell and each of Denali s other executive officers.

As a privately-held company, Denali has not been subject to requirements to ensure that executive compensation decisions are overseen by a board committee consisting solely of independent directors. When making individual compensation decisions for executive officers, the Compensation Committee may take a variety of factors into account, including the performance of the company and the executive officer s business unit, if applicable; the executive officer s performance, experience and ability to contribute to Denali s long-term strategic goals; the executive officer s historical compensation; internal pay equity; and any retention considerations.

Consideration of Say-On-Pay Results The compensation of Denali s executive officers has not been subject to a shareholder advisory vote on executive compensation, commonly referred to as a say on pay vote. Denali s major stockholders currently serve on the Compensation Committee to ensure that compensation decisions are aligned to stockholder interests.

Individual Compensation Components

Base Salary

Base salaries are intended to attract and retain the executive officers needed to manage the business. Base salaries vary based on each executive officer s responsibility, performance, experience, retention concerns, historical compensation and internal equity considerations.

The table below summarizes the base salary during Fiscal 2016 of each of the Denali NEOs. No Denali NEO received a base salary increase during Fiscal 2016. Due to payroll processes, the actual base salaries paid during the fiscal year may vary from those shown below.

Name	**Salary for Fiscal 2016**	
Mr. Dell	$	950,000
Mr. Sweet	$	650,000
Mr. Read	$	600,000
Mr. Clarke	$	826,160
Mr. Haas	$	722,890

Annual Incentive Bonus Plan

Denali executive officers participate in the Annual Incentive Bonus Plan, referred to as the IBP. The IBP is designed to align executive officer pay with short-term financial and strategic results, while also serving to attract and retain executive officers. The Compensation Committee establishes a target incentive opportunity for each executive officer expressed as a percentage of annual base salary. For Fiscal 2016, target annual incentives for the Denali NEOs were as follows:

Name	Target Annual Incentive Opportunity as % of Base Salary
Mr. Dell	200%
Mr. Sweet	100%
Mr. Read	55%
Mr. Clarke	100%
Mr. Haas	100%

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IBP Formula

To arrive at an IBP payout amount for executive officers, the target annual incentive opportunity for each executive officer is multiplied by a formula based on corporate performance, business unit performance (if applicable) and individual performance. The payout amount for Mr. Dell and his direct reports, including the Denali NEOs, is based on overall corporate performance. In determining the amount of the actual bonus payout, the Compensation Committee may consider the potential payout number produced by the formula and any other factors it deems appropriate.

IBP Corporate Bonus Formula

For Fiscal 2016, the selected corporate performance measures and target goals were designed to drive profitable growth and achieve strategic objectives. The measures consisted of non-GAAP revenue and non-GAAP operating income, as such measures are described under *Management s Discussion and Analysis of Financial Condition and Results of Operations Non-GAAP Financial Measures.* The targets for the IBP, including the threshold, plan and 130% of plan goals identified in the table below, each were intended to be stretch goals that could not be easily achieved. For Fiscal 2016, the corporate performance goals were as follows:

	Threshold	Plan (target)	130% of Plan
Non-GAAP revenue	$ 57 billion	$ 61.4 billion	$ 79.82 billion
Non-GAAP operating income	$ 3 billion	$ 3.5 billion	$ 4.55 billion
Modifier	50%	100%	200%

The Compensation Committee retains subjective discretion to adjust IBP modifiers as it determines appropriate.

For Fiscal 2016, Denali failed to achieve the corporate non-GAAP revenue and operating income threshold goals. The Compensation Committee, however, considered that the achievement of the stretch performance goals was negatively impacted by factors that included foreign currency fluctuations, a weak demand environment and overall slower global growth. Further, Denali demonstrated discipline on controlling cost and on pricing, and as a result generated strong cash flow, which allowed continued debt reduction and investment in critical areas. Based on a balanced assessment of Denali s performance for Fiscal 2016, taking into account the foregoing factors, the Compensation Committee determined to approve a final bonus modifier of 75% of target.

Individual Performance Modifier

In view of the executive officers potential to influence company performance, the Compensation Committee takes into account personal performance in determining executive officers bonus amounts, assigning each executive officer an individual modifier from zero to 150 percent. In determining individual bonus modifiers the Committee may consider such factors as achieving financial targets for the business, cost management, strategic and transformational objectives relating to the executive officer s business unit or function, and ethics and compliance. The Committee does not place specific weightings on the considered objectives, but assigns a subjective individual performance modifier based on a holistic and subjective assessment of each individual executive officer s performance. The individual modifiers assigned by the Compensation Committee for the Denali NEOs for Fiscal 2016, based on its determination of their individual performance, are described below along with the corresponding bonus amounts:

Name	Individual Modifier	Company Modifier	Bonus Payout
Mr. Dell	100%	75%	$ 1,425,000
Mr. Sweet	110%	75%	$ 536,250
Mr. Read	100%	75%	$ 204,663
Mr. Clarke	90%	75%	$ 557,658
Mr. Haas	80%	75%	$ 433,734

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Special Incentive Bonus Plan

The Special Incentive Bonus Plan, referred to as the SIB, is an annual discretionary bonus plan targeting executives who for that fiscal year are the most critical to driving business unit goals and delivering key, business-critical objectives. The Compensation Committee determines the maximum SIB opportunity for each executive officer selected to participate. Mr. Dell does not participate in the SIB program.

Discretionary Special Incentive Bonus Plan payments for Fiscal 2016 were determined by the Compensation Committee based on a holistic and subjective assessment of the contributions of each executive officer and the executive officer s management team to the performance of the business unit or function, contributions during Fiscal 2016 to major strategic initiatives including the merger with EMC, response to business and market challenges, responsibilities, retention concerns, and internal pay equity. Individual targets and payments for the Denali NEOs, other than Mr. Dell, under the Special Incentive Bonus Plan are presented below:

Name	Special Incentive Bonus Target	Special Incentive Bonus Payment
Mr. Sweet	$ 2,000,000	$ 2,000,000
Mr. Read	$ 2,000,000	$ 2,000,000
Mr. Clarke	$ 3,000,000	$ 2,400,000
Mr. Haas	$ 3,000,000	$ 2,150,000

Long-Term Incentives

Long-term incentive opportunities are the most significant component of total target executive officer compensation. These incentives are designed to motivate executive officers to make decisions in support of long-term company financial interests and align them with the interests of Denali s owners, while also serving as a significant tool for attraction and retention.

Long-Term Equity Incentives

Denali executive officers long-term incentive compensation is primarily in the form of stock option awards designed to align their interests with those of Denali stockholders by providing a return only if Denali s stock price appreciates. Stock option awards are approved by the Compensation Committee and are granted with an exercise price based on the fair market value of Denali common stock on the date of grant as determined by the Denali board of directors.

The equity program in which executive officers other than Mr. Dell participate is referred to as the Management Equity Program, or MEP. MEP stock option awards consist of two types of award. The first type of award is a time-based stock option to purchase non-voting shares of Series C Common Stock of Denali, which vests ratably over five years. The second type of award, which we refer to as a performance-based award, is a stock option to purchase Series C Common Stock of Denali that becomes exercisable only if a level of return is achieved on the initial Denali equity investment of Mr. Dell and Silver Lake in connection with the going-private transaction, which we refer to as return on equity. The vesting criteria for performance-based MEP awards as follows:

Return on equity for performance-based MEP awards is measured on specified measurement dates or upon the occurrence of specified events related to Denali, and the number of performance-based MEP option shares eligible to test for vesting varies depending upon the measurement date or event. The Compensation Committee believes the vesting design of performance-based MEP awards further aligns executive officers with the interests of Denali s owners by compensating executive officers only if a minimum level of return on equity is achieved.

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The allocation of MEP stock options awards between time-based and performance-based awards for each executive officer may vary. In general, executive officers participating in the MEP who are responsible for a specific business unit and more able to directly influence business performance have MEP stock option awards more heavily weighted toward performance-based awards.

MEP stock options awards were originally granted in Fiscal 2014 following the closing of the going-private transaction. Awards may also be made to new hires, and the Compensation Committee may consider MEP option awards, or additional awards, in connection with a change in role or responsibility. MEP option award sizes are intended to be sufficient to address long-term incentive compensation for an executive officer for a period of approximately five years from the grant date. Mr. Read was the only Denali NEO to receive an MEP stock option grant during Fiscal 2016, which he was awarded in connection with his hiring.

After the going-private transaction, Mr. Dell was granted an option award to purchase shares of voting Series A Common Stock of Denali, which vests ratably over five years from the grant date. The Compensation Committee believes this stock option award provides appropriate long-term incentive compensation for Mr. Dell at this time, and accordingly Mr. Dell does not currently participate in any other long-term incentive compensation programs.

Long-Term Cash Incentives

In order to attract or retain executive officers, Denali may use long-term incentive cash awards in addition to equity-based incentives. In connection with his hiring during Fiscal 2016, Mr. Read received a long-term cash award of $15,000,000, which will vest on an annual pro rata basis over five years beginning May 15, 2016.

Other Compensation Components

New-Hire Packages

To build a world-class leadership team, Denali strives to offer competitive new-hire compensation packages. In assessing executive officer new-hire compensation packages, the Compensation Committee may consider factors including, among others, the individual s role, skills, experience and unique competencies; aligning interests of the new hire with those of Denali s stockholders; internal pay equity; value of compensation elements forgone by leaving a previous employer; and market considerations. New hire packages may include signing bonuses, relocation benefits, and similar compensation elements.

In connection with his hiring during Fiscal 2016, Mr. Read received a $750,000 signing bonus.

Benefits and Perquisites

Denali executive officers are provided limited benefits and perquisites. While the limited benefits and perquisites are not a significant part of Denali s executive officer compensation, the Compensation Committee believes that these elements of compensation are important to delivering a competitive package to attract and retain executive officers. Specific benefits and perquisites are described below.

Annual Physical The company pays for a comprehensive annual physical for each executive officer and the executive officer s spouse or domestic partner and reimburses the executive officer s related travel and lodging costs, subject to an annual maximum payment of $5,000 per person.

Technical Support The company provides executive officers with computer technical support and, in some cases, certain home network equipment. The incremental cost of providing these services is limited to the cost of hardware provided and is not material.

Security The company provides executive officers with security services, including alarm installation and monitoring and, in some cases, certain home security upgrades pursuant to the recommendations of an independent security study. Mr. Dell reimburses the company for costs related to his family s personal security protection.

Financial Counseling and Tax Preparation Services Under the terms of his employment agreement, Mr. Dell is entitled to reimbursement for financial counseling services up to $12,500 annually (including tax preparation).

Spousal Travel Expenses Denali pays for reasonable spousal travel expenses if the spousal travel is at the request of Dell to attend Dell-sponsored events.

Other The executive officers participate in Denali s other benefit plans on the same terms as other employees. These plans include medical, dental, and life insurance benefits, and the company s 401(k) retirement savings plan. For additional information, see *Other Benefit Plans* below.

Stock Ownership Guidelines

The Denali board of directors does not currently apply stock ownership guidelines for directors and Denali s executive officers. The Denali board of directors believes that at this time the design of Denali s equity compensation strategy for executive officers links the interests of executive officers closely with those of other Denali stockholders. Denali expects to adopt stock ownership guidelines for its directors following the merger.

Employment Agreements; Severance and Change-in-Control Arrangements

Severance and Change-in-Control Arrangements

Each Denali NEO other than Mr. Dell has entered into a severance agreement with the company pursuant to which, if the executive s employment is terminated without cause, or if the executive resigns for good reason, the executive will receive a severance payment. For Denali NEOs other than Mr. Read, the severance payment will be equal to 300% of annual base salary. Two-thirds of this severance amount will be payable following termination of employment, and the remainder will be payable on the one-year anniversary of such termination. Mr. Read s severance agreement provides that if his employment is terminated without cause within 36 months of his start of employment, he will be eligible to receive severance payments equal to $5,000,000, plus 100% of his annual base salary. In addition, in the event Mr. Read does not receive a payment under the Special Incentive Bonus Plan of at least $2,000,000 for each of Fiscal 2016, Fiscal 2017 and Fiscal 2018, he may resign and receive 50% of that amount (100% for Fiscal 2016). The severance agreements also obligate each executive officer to comply with certain non-competition and non-solicitation obligations for a period of 12 months following termination of employment.

Mr. Dell s employment agreement does not provide for severance benefits.

Denali believes that the severance benefits it provides to the Denali NEOs other than Mr. Dell are appropriate in light of the severance protections available to similarly-situated executive officers at companies that compete with Denali for executive talent. Denali believes the severance benefits help to attract and retain key executives who may be presented with alternative employment opportunities that may appear to be more attractive absent these protections.

Except as indicated below, in the event a Denali NEO is terminated without cause, or resigns for good reason, during the period beginning three months prior to and ending eighteen months after a change in control of Denali, referred to as the change in control period, the outstanding, unvested portion of such NEO s time-based vesting MEP stock options will vest upon such NEO s termination of employment or, if later, upon the occurrence of the change in control. In the event a Denali NEO is terminated without cause or resigns for good reason during the change in control period or such NEO dies or becomes disabled at any time, the outstanding, unvested portion of the NEO s performance-based vesting MEP stock option award will not be forfeited, but will remain outstanding (subject to the expiration of the option term) and eligible to vest based on Denali s achievement of return on equity, as described above, except that if a termination without cause or a resignation for good reason occurs during the three-month period prior to a change in control, such options will remain

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outstanding for the three-month period to determine whether the change in control occurs. If no such change in control occurs on or prior to the expiration of that period, the options will be forfeited. Denali believes that providing for double trigger acceleration will help to prevent the loss of key personnel in the event of a change in control and is consistent with the practices of many companies with which it competes for executive talent. The foregoing double trigger protections do not apply for Mr. Dell. These protections also do not apply for Mr. Read or for certain MEP stock options granted to Mr. Sweet, in each case due to the individual s role at the time the award was granted.

Except as indicated below, in the event a Denali NEO other than Mr. Dell is terminated without cause or resigns for good reason, other than during a change in control period, a portion of such NEO s outstanding, unvested time-based MEP stock option will become vested, for the number of shares that would have vested on the next applicable anniversary of the grant date or, if such NEO s termination occurs during the six-month period immediately following the most recent anniversary of the grant date, one-half that number of shares. If a Denali NEO dies or becomes disabled, any outstanding, unvested time-based MEP stock options will become fully vested. In the event a Denali NEO otherwise is terminated without cause or resigns for good reason, other than during a change in control period or in the event of an NEO s retirement at any time, a portion of such NEO s outstanding, unvested performance-based MEP stock option award will not be forfeited, but will remain outstanding (subject to the expiration of the option term) and eligible to vest based on Denali s achievement of return on equity, equal in proportion to the proportion of such NEO s time-based MEP stock options which have become vested (taking into account any accelerated vesting in connection with such NEO s termination of employment), less any amount of the performance-based award that has previously vested or been forfeited. The foregoing provisions do not apply for Mr. Dell. The foregoing provisions relating to termination without cause or resignation for good reason also do not apply for Mr. Read or for certain MEP stock options granted to Mr. Sweet, in each case due to the individual s role at the time the award was granted.

As described below, Mr. Dell entered into an employment agreement with Dell in connection with the going-private transaction. Pursuant to the terms of his employment agreement, the unvested portion of Mr. Dell s stock option award will vest upon the occurrence of a change in control. The merger will not constitute a change in control of Denali or Dell for these purposes. Denali believes that providing for single trigger acceleration of vesting of Mr. Dell s option award was appropriate because a change of control of Denali would be likely to materially alter his role with the company.

For more information on severance and change in control arrangements, including definitions of the terms cause, good reason and change in control, see *Potential Payments Upon Termination or Change in Control.*

Employment Agreement with Michael S. Dell

On October 29, 2013, Denali and Dell entered into an employment agreement with Mr. Dell, pursuant to which Mr. Dell serves as CEO of Denali and Dell and chairman of the board of directors of both entities. Mr. Dell may resign for any or no reason or the Denali board of directors may terminate him for cause (as defined therein) at any time. In addition, following a change in control or a qualified initial public offering (as defined therein), the Denali board of directors may terminate Mr. Dell for any or no reason. Under the employment agreement, Mr. Dell receives an annual base salary of $950,000 and is eligible for an annual bonus with a target opportunity equal to 200% of his base salary. In addition, Dell reimburses Mr. Dell for financial counseling and tax preparation up to $12,500 per year, an annual physical (for himself and his spouse) up to $5,000 per person and all travel and business expenses reasonably incurred. Dell also provides Mr. Dell with business-related security protection.

Pursuant to the agreement, Mr. Dell received a stock option to purchase 10,909,091 shares of the common stock of Denali with a per share exercise price equal to $13.75. Subject to Mr. Dell s continued employment, the option vests ratably over a five-year period with accelerated vesting upon a change in control. Unvested options

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will be forfeited upon the latest of a resignation of employment by Mr. Dell, a termination of his employment by Dell for cause and Mr. Dell ceasing to serve as a member of the board of directors of Denali or Dell. Mr. Dell is subject to an indefinite covenant not to disclose confidential information and an obligation to assign to Denali and Dell any intellectual property created by Mr. Dell during his employment.

Indemnification

Under Denali s existing certificate of incorporation and bylaws, Denali s officers, including the NEOs, are entitled to indemnification from Denali to the fullest extent permitted by Delaware corporate law. Denali has entered, or will enter, into indemnification agreements with each of the NEOs which establish processes for indemnification claims.

Recoupment Policy for Performance-Based Compensation

If Denali or Dell restates its reported financial results, the Denali board of directors will review the bonus and other cash or equity awards made to the executive officers, including the NEOs, based on financial results during the period subject to the restatement, and, to the extent practicable under applicable law, Denali will seek to recover or cancel any such awards that were awarded as a result of achieving performance targets that would not have been met under the restated financial results.

Other Factors Affecting Compensation

Generally, Section 162(m) of the Internal Revenue Code prevents a company from receiving a federal income tax deduction for compensation paid to the chief executive officer and the next three most highly compensated officers (other than the chief financial officer) in excess of $1 million for any year, unless that compensation is performance-based. Denali was not subject to Section 162(m) during fiscal 2016 and accordingly Denali s compensation programs for executive officers were not designed with the goal of qualifying as performance-based compensation under Section 162(m). At such time as Denali becomes subject to Section 162(m), then to the extent practicable, the Compensation Committee intends to preserve deductibility, but may choose to provide compensation that is not deductible if necessary or appropriate to attract, retain and reward high-performing executives.

Compensation Committee Interlocks and Insider Participation

Messrs. Dell, Durban and Patterson were members of compensation committees of each of Denali and Dell during Fiscal 2016. Mr. Dell served as Denali s chairman and chief executive officer of each of Denali and Dell during Fiscal 2016. See *Management of Denali After the Merger* and *Certain Relationships and Related Transactions* for information regarding relationships between Denali and Messrs. Dell, Durban and Patterson. During Fiscal 2016, none of Denali s executive officers served on the board of directors or compensation committee (or other committee serving an equivalent function) of any other entity that has or had one or more executive officers who served as a member of the board or compensation committee of Denali or Dell.

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Fiscal 2016 Summary Compensation Table

The following table summarizes the total compensation paid for Fiscal 2016 by Denali to the following persons, each of whom served as an executive officer of Denali as of January 29, 2016, the last day of Fiscal 2016, and each of whom is expected to serve as an executive officer of Denali following the merger: Michael S. Dell (principal executive officer), Thomas W. Sweet (principal financial officer), and Rory P. Read, Jeffrey W. Clarke, and Marius A. Haas (the three other most highly compensated individuals who were serving as executive officers at the end of Fiscal 2016). These persons are referred to as the Denali named executive officers or the Denali NEOs.

Fiscal 2016 Summary Compensation Table

Name and principal position	Year	Salary ($)	Bonus ($) (1)	Stock awards ($)	Option awards ($) (2)	Non-equity incentive plan compensation ($) (3)	All other compensation ($) (4)	Total ($) (5)
Michael S. Dell *Chairman and CEO*	2016	950,000	1,425,000				17,918	2,392,918
Thomas W. Sweet *Senior Vice President and CFO*	2016	650,000	2,707,082(6)				35,053	3,392,135
Rory P. Read *Chief Integration Officer*	2016	496,154	2,954,633(7)		7,077,937		15,770	10,544,524
Jeffrey W. Clarke *Vice Chairman and President, Operations and Client Solutions*	2016	826,160	2,957,658				25,146	3,808,964
Marius A. Haas *President and Chief Commercial Officer. Enterprise Solutions*	2016	772,890	2,583,734				1,206	3,357,830

(1) Includes payments pursuant to the Incentive Bonus Plan and Special Incentive Bonus Plan for Fiscal 2016.

(2) Represents the grant date fair value of options awards granted during Fiscal 2016.
(3) Because the Compensation Committee exercised discretion to award bonuses under the IBP notwithstanding failure to meet corporate performance objectives, the bonus payments made under the IBP are reported under the Bonus column.
(4) Includes the cost of providing various perquisites and personal benefits, as well the value of Dell s contributions to the company-sponsored 401(k) plan, and the amount Dell paid for term life insurance coverage under health and welfare plans. See *Compensation Discussion and Analysis of Denali Other Compensation Components Benefits and Perquisites* for additional information.
(5) Before the closing of the going-private transaction in October 2013, Dell had granted restricted stock unit awards to Messrs. Dell, Sweet, Clarke and Haas under its 2012 Long-Term Incentive Plan which, in connection with that transaction, were converted into rights to receive cash payments in accordance with the vesting schedule applicable to the restricted stock units. In Fiscal 2016, Mr. Dell received cash payments of $8,885,025, Mr. Sweet received cash payments of $169,364, Mr. Clarke received cash payments of $684,626, and Mr. Haas received cash payments of $439,467 upon the vesting of a portion of such executive officer s converted restricted stock unit awards. These amounts are not shown in the table above.
(6) Includes a $170,832 payment during Fiscal 2016 in respect of a cash retention award granted on November 5, 2013.
(7) Includes a $750,000 signing bonus paid to Mr. Read in Fiscal 2016.

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The following table presents the elements of All Other Compensation for each of the Denali named executive officers.

Name	Year	Retirement plans matching contribution ($)	Benefit plans ($)	Annual physical ($)	Security ($)	Spousal travel ($)	Technical support ($)
Mr. Dell	2016	15,442	2,476				
Mr. Sweet	2016	12,000	3,083	2,655	17,315		
Mr. Read	2016	14,404	1,366				
Mr. Clarke	2016	11,161	2,135	1,951	7,981	$ 1,418	
Mr. Haas	2016		1,206				

Grants of Plan-Based Awards in Fiscal 2016

The following table sets forth certain information about plan-based awards that Denali made to or modified for the Denali NEOs during Fiscal 2016. For more information about the plans under which these awards were granted, see *Compensation Discussion and Analysis of Denali* above.

	Estimated potential payouts under non-equity incentive plan awards (1)			All other option awards: Number of securities under-lying options	Exercise or base price of option awards	Grant date fair value of stock and option awards
Name	Threshold	Target	Maximum			
Mr. Dell		$ 1,900,000				
Mr. Sweet		650,000				
Mr. Read		330,000		581,500	$ 26.67	7,077,937
Mr. Clarke		826,160				
Mr. Haas		722,890				

(1) Each Denali NEO participated in the IBP. For actual award amounts, see *Summary Compensation Table Non-Equity Incentive Plan Compensation*. For more information on the IBP and the evaluation of the performance metrics, see *Compensation Discussion and Analysis of Denali Individual Compensation Components Annual Incentive Bonus Plan*.

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Outstanding Equity Awards at Fiscal Year-End 2016

The following table sets forth certain information about outstanding option awards held as of the end of fiscal 2016 by the Denali NEOs.

	Option awards			
	Number of securities underlying unexercised options			
Name	Exercisable	Unexercisable	Option exercise price	Option expiration date
Mr. Dell	4,363,636 (1)	6,545,455 (1)	$ 13.75 (2)	11/25/23
Mr. Sweet	48,000 (3)	144,000 (3)	$ 13.75 (2)	11/25/23
	151,181 (3)	680,728 (3)	$ 13.75 (2)	02/06/24
		290,909 (4)	$ 13.75 (2)	11/25/23
		800,000 (4)	$ 13.75 (2)	02/06/24
Mr. Read		232,600 (3)	$ 26.67 (5)	05/29/25
		348,900 (4)	$ 26.67 (5)	05/29/25
Mr. Clarke	685,554 (3)	1,028,332 (3)	$ 13.75 (2)	11/25/23
		2,467,996 (4)	$ 13.75 (2)	11/25/23
Mr. Haas	685,554 (3)	1,028,332 (3)	$ 13.75 (2)	11/25/23
		2,467,996 (4)	$ 13.75 (2)	11/25/23

(1) Option award exercisable for Series A Common Stock of Denali that vests and becomes exercisable with respect to 20% of the shares subject to the option on each of the first, second, third, fourth and fifth anniversaries of the grant date.

(2) In approving this option award, Denali s board of directors determined that the fair market value as of the grant date of each share of Series C Common Stock or (for Mr. Dell) Series A Common Stock of Denali underlying the option awards was equal to the merger consideration of $13.75 per share of Dell common stock paid to Dell s public stockholders in the going-private transaction.

(3) Option award exercisable for Series C Common Stock of Denali that vests and becomes exercisable with respect to 20% of the shares subject to the option on each of the first, second, third, fourth and fifth anniversaries of the grant date.

(4) Option award exercisable for Series C Common Stock of Denali that vests and becomes exercisable based upon the level of return achieved on the initial Denali equity investment measured on specified measurement dates or upon the occurrence of specified events related to Denali.

(5) Exercise price is fixed based upon the good faith determination by the Denali board of directors of the fair market value of a share of Denali common stock most immediately preceding the grant date.

Option Exercises and Stock Vested During Fiscal 2016

The following table sets forth certain information about option exercises and vesting of restricted stock during fiscal 2016 for the Denali NEOs.

	Option awards		Stock awards	
Name	Number of shares acquired on exercise	Value realized on exercise (1)	Number of shares acquired on vesting	Value realized on vesting (1)
Mr. Dell				
Mr. Sweet	60,000	$534,000	2,080	$55,474
Mr. Read				
Mr. Clarke				
Mr. Haas				

(1) Calculated based upon the good faith determination by the Denali board of directors of the fair market value of a share of Series C Common Stock or (for Mr. Dell) Series A Common Stock of Denali most immediately preceding such exercise or vesting date.

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Stock Incentive Plan

Denali Holding Inc. 2013 Stock Incentive Plan

Options have been issued to the Denali NEOs under the Denali Holding Inc. 2013 Stock Incentive Plan, referred to as the Denali 2013 Plan. Effective upon the completion of the merger, the Denali 2013 Plan will be amended and restated. The amended and restated Denali 2013 Plan is referred to as the Amended Plan.

Upon the closing of Dell Inc. s going-private transaction in October 2013, Denali adopted the Denali 2013 Plan, pursuant to which a total of 60,785,823 shares of Denali common stock, par value $0.01 per share, were reserved for issuance pursuant to awards. The Denali 2013 Plan provides for the grant of stock options, restricted stock, restricted stock units, stock appreciation rights, and other equity-based incentive awards. Shares of Denali common stock acquired pursuant to awards granted under the Denali 2013 Plan will be subject to certain transfer and repurchase rights set forth in the Denali 2013 Plan and a Denali stockholders agreement, and for the Denali NEOs and certain other senior members of Denali, certain liquidity and put restrictions. For more information about the Denali stockholders agreement, see *Certain Relationships and Related Transactions Denali Stockholders Agreement*.

The Compensation Committee administers the Denali 2013 Plan and selects eligible non-employee directors, employees of, and consultants to, Denali and its affiliates, to receive awards under the Denali 2013 Plan. The Compensation Committee determines the number of shares of stock covered by awards granted under the Denali 2013 Plan and the terms of each award, including but not limited to, the terms under which stock options may be exercised, the exercise price of the stock options and other terms and conditions of the options and other awards in accordance with the provisions of the Denali 2013 Plan.

In the event Denali undergoes a change in control, as defined below, the Compensation Committee may, at its discretion, accelerate the vesting or cause any restrictions to lapse with respect to outstanding awards, or may cancel such awards for fair value, or may provide for the issuance of substitute awards. Under the Denali 2013 Plan, a change in control is generally defined as a sale or disposition of all or substantially all of the assets of Denali and its subsidiaries, taken as a whole, or, under the Amended Plan, all or substantially all of the assets of the DHI Group (as defined therein) and/or the Class V Group (as defined therein), taken as a whole, in each case to any person other than to Mr. Dell, Silver Lake Partners, or certain related parties, any person or group (other than Mr. Dell, Silver Lake Partners, or certain related parties) becomes the beneficial owner of more than 50% of the total voting power of Denali s outstanding voting stock, a merger pursuant to which Mr. Dell, Silver Lake Partners, and related parties cease to own a majority of voting power of Denali capital stock or prior to an initial public offering of Denali s common stock, Mr. Dell, Silver Lake Partners, or certain related parties do not have the ability to cause the election of a majority of the members of the board of directors and any person or group (other than Mr. Dell, Silver Lake Partners, or certain related parties) beneficially owns outstanding voting stock representing a greater percentage of voting power with respect to the general election of members of the board than the shares of outstanding voting stock Mr. Dell, Silver Lake Partners, or certain related parties beneficially own.

Subject to certain limitations specified in the Denali 2013 Plan, Denali s board of directors may amend or terminate the Denali 2013 Plan. The Denali 2013 Plan will terminate no later than 10 years following its effective date; however, any awards outstanding under the Denali 2013 Plan will remain outstanding in accordance with their terms. The Amended Plan will provide for the issuance of awards on shares of Denali Class C common stock and Class V Common Stock, in each case with a par value of $0.01 per share.

Other Benefit Plans

401(k) Retirement Plan

Dell maintains a 401(k) retirement savings plan that is available to substantially all U.S. employees. Dell matches 100% of each participant s voluntary contributions up to 5% of the participant s eligible compensation, and a participant vests immediately in the matching contributions. Participants may invest their contributions and the matching contributions in a variety of investment choices.

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Potential Payments Upon Termination or Change in Control

The following table sets forth, for each of the Denali NEOs, amounts potentially payable upon a termination or change in control of Denali, assuming a January 29, 2016 triggering event.

Name	Severance payment (1)	Acceleration benefit upon death or disability (2)	Acceleration upon change in control (3)	Acceleration upon change in control and qualifying termination (4)	Acceleration upon qualifying termination (5)
Mr. Dell			$46,800,003		
Mr. Sweet	$1,950,000	$5,896,805		$4,867,205	$1,216,794
Mr. Read	$5,600,000				
Mr. Clarke	$2,478,480	$7,352,574		$7,352,574	$1,225,431
Mr. Haas	$2,168,670	$7,352,574		$7,352,574	$1,225,431

(1) Severance payments under the NEO severance agreements are only payable if the executive s employment is terminated without cause or, other than for Mr. Read, for good reason. In general, cause means a violation of confidentiality obligations, acts resulting in being charged with a criminal offense that constitutes a felony or involves moral turpitude or dishonesty, conduct that constitutes gross neglect, insubordination, willful misconduct, or breach of Dell s code of conduct or the executive s fiduciary duty, or a determination that the executive violated laws relating to the workplace environment. In general, good reason means a material reduction in base salary, a material adverse change in title or reduction in authority, duties, or responsibilities, or a change in the executive s principal place of work of more than 25 miles, that is not timely cured.

(2) Represents the in-the-money value of unvested stock options that are subject to vesting acceleration in the event of death or permanent disability, assuming a share value of $20.90, based upon the good faith determination by the Denali board of directors of the fair market value of a share of Denali Series C Common Stock most immediately preceding the triggering event.

(3) Represents the in-the-money value of Mr. Dell s unvested stock options that are subject to vesting acceleration in the event of a change in control, assuming a share value of $20.90, based upon the good faith determination by the Denali board of directors of the fair market value of a share of Denali Series A Common Stock most immediately preceding the triggering event. For purposes of Mr. Dell s stock option award, a change in control is generally defined as a sale of all or substantially all of the assets of Denali, acquisition by anyone other than Mr. Dell, Silver Lake Partners, or certain related parties of more than 50% of the voting power of Denali capital stock, or a merger pursuant to which Mr. Dell, Silver Lake Partners, and related parties cease to own a majority of voting power of Denali capital stock in substantially the same proportions as prior to such merger.

(4) Represents the in-the-money value of unvested stock options that are subject to vesting acceleration in the event of a qualifying termination during a change in control period, assuming a share value of $20.90, based upon the good faith determination by the Denali board of directors of the fair market value of a share of Denali Series C Common Stock most immediately preceding the triggering event. In general, a change in control for this purpose means a sale of all or substantially all of the assets of Denali, acquisition by anyone other than Mr. Dell, Silver Lake Partners, or certain related parties of more than 50% of the voting power of Denali capital stock, or a merger pursuant to which Mr. Dell, Silver Lake Partners, and related parties cease to own a majority of voting

power of Denali capital stock, or, prior to an underwritten initial public offering, inability of Mr. Dell, Silver Lake Partners, and certain related parties to elect members of the Denali board of directors having a majority of votes on the board.

(5) Represents the in-the-money value of unvested stock options that are subject to vesting acceleration in the event of a qualifying termination outside of a change in control period, assuming a share value of $20.90, based upon the good faith determination by the Denali board of directors of the fair market value of a share of Denali Series C Common Stock most immediately preceding the triggering event.

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For more information regarding severance and change in control arrangements, see *Compensation Discussion and Analysis of Denali Individual Compensation Components Employment Agreements; Severance and Change-in-Control Arrangements*.

Director Compensation

During fiscal 2016, none of our directors received compensation for their service as directors. Before the completion of the Merger, we expect that the Compensation Committee will adopt a compensation program for our non-employee directors that will enable us to attract and retain qualified directors and provide them with compensation at a level that is consistent with our compensation objectives. We expect that our compensation program for non-employee directors will include equity and cash retainers. We expect that equity awards for non-employee directors will be equally weighted to Class V Common Stock and Class C Common Stock. We also will reimburse our directors for their reasonable expenses incurred in attending meetings of our board of directors or committees. Our directors who are employees of our company will receive no compensation for their board service.

We will provide our directors with liability insurance coverage for their activities as directors. In addition, upon completion of the merger, our amended and restated charter and amended and restated bylaws will provide that our directors will be entitled to indemnification from us to the fullest extent permitted by Delaware law. We expect to enter into indemnification agreements with each of our non-employee directors to afford such directors additional contractual assurances regarding the scope of their indemnification and to provide procedures for the determination of a director s right to receive indemnification and to receive reimbursement of expenses as incurred in connection with any related legal proceeding.

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INFORMATION ABOUT EMC

EMC and its subsidiaries develop, deliver and support information infrastructure and virtual infrastructure technologies, solutions and services for a broad range of customers, including businesses, governments, not-for-profit organizations and service providers, around the world and in every major industry, in both public and private sectors, and of sizes ranging from the Fortune 500 to small business and individual consumers.

EMC manages itself as part of a federation of businesses: EMC Information Infrastructure, VMware Virtual Infrastructure, Pivotal and Virtustream.

EMC s Information Infrastructure business provides a foundation for organizations to store, manage, protect, analyze and secure ever-increasing quantities of information, while at the same time improving business agility, lowering cost, and enhancing competitive advantage. EMC s Information Infrastructure business comprises three segments Information Storage, Enterprise Content Division and RSA Information Security. The results of Virtustream are currently reported within its Information Storage segment.

EMC s VMware Virtual Infrastructure business, which is represented by EMC s majority equity stake in VMware, is the leader in virtualization infrastructure solutions utilized by organizations to help them transform the way they build, deliver and consume IT resources. VMware s virtualization infrastructure solutions, which include a suite of products and services designed to deliver a software-defined data center, run on industry-standard desktop computers and servers and support a wide range of operating system and application environments, as well as networking and storage infrastructures.

EMC s Pivotal business, referred to as Pivotal, unites strategic technology, people and programs from EMC and VMware and has built a new platform comprised of next-generation data, agile development practices and a cloud independent platform-as-a-service. These capabilities are made available through Pivotal s three primary offerings: Pivotal Cloud Foundry, the Pivotal Big Data Suite and Pivotal Labs.

EMC common stock is listed on the NYSE under the trading symbol EMC.

EMC s principal executive offices are located at 176 South Street, Hopkinton, Massachusetts 01748, its telephone number is (508) 435-1000, and its website is *www.emc.com*. The information contained in, or that can be accessed through, EMC s website is not intended to be incorporated into this proxy statement/prospectus. Additional information about EMC and its subsidiaries is included in documents incorporated by reference into this proxy statement/prospectus. See *Where You Can Find More Information*.

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SPECIAL MEETING OF EMC SHAREHOLDERS

EMC is providing this proxy statement/prospectus to its shareholders in connection with the solicitation of proxies to be voted at the special meeting (or any adjournment or postponement of the special meeting). This proxy statement/prospectus contains important information for you to consider when deciding how to vote on the matters brought before the special meeting. Please read it carefully and in its entirety.

Date, Time and Location

The date, time and place of the special meeting are set forth below:

Date:	[ ], 2016
Time:	[ ] (Eastern Time)
Place:	EMC s facility at 176 South Street, Hopkinton, Massachusetts 01748

Attendance at the special meeting will be limited to shareholders as of the record date, their authorized representatives and EMC guests. Registration and seating for the special meeting on [ ], 2016 will begin at [ ] (Eastern Time). If you are a shareholder and plan to attend, you **MUST** pre-register for the special meeting no later than [ ], 2016, by visiting [*www.emc.com/specialmeeting*] and completing the registration form. Shareholders who come to the special meeting, but have not registered electronically, will also be required to present evidence of stock ownership as of [ ], 2016. You can obtain this evidence from your broker, bank, trust company or other nominee or intermediary, typically in the form of your most recent monthly statement. All shareholders who attend the meeting will be required to present valid government-issued picture identification, such as a driver s license or passport, and will be subject to security screenings. Cameras, recording devices and other electronic devices will not be permitted at the special meeting.

If you have a disability, EMC can provide reasonable assistance to help you participate in the special meeting. If you plan to attend the special meeting and require assistance, please write or call EMC s Office of the Secretary no later than [ ], 2016, at 176 South Street, Hopkinton, Massachusetts 01748, telephone number (508) 435-1000.

Purpose

At the special meeting, EMC shareholders will vote on:

- the approval of the merger agreement, pursuant to which Merger Sub will be merged with and into EMC; as a result of the merger, the separate corporate existence of Merger Sub will cease, and EMC will continue as a wholly owned subsidiary of Denali;

- the approval, on a non-binding, advisory basis, of the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger; and the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

The approval of the merger agreement by EMC shareholders is a condition to the obligations of Denali and EMC to complete the merger. The approval, on a non-binding, advisory basis, of the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger is not a condition to the obligations of Denali or EMC to complete the merger. The approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement also is not a condition to the obligations of Denali or EMC to complete the merger.

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Recommendations of the EMC Board of Directors

After consideration and consultation with its advisors, the EMC board of directors unanimously determined that the merger agreement and the transactions contemplated thereby, including the proposed merger, are advisable and in the best interests of EMC and its shareholders, and unanimously resolved to approve and adopt the merger agreement and the transactions contemplated thereby, including the proposed merger.

The EMC board of directors unanimously recommends that EMC shareholders vote **FOR** the approval of the merger agreement, **FOR** the approval, on a non-binding, advisory basis, of the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger and **FOR** the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement. See *Proposal 1: Approval of the Merger Agreement EMC s Reasons for the Merger; Recommendation of the EMC Board of Directors*, *Proposal 2: Non-Binding, Advisory Vote on Compensation of Named Executive Officers* and *Proposal 3: Adjournment of Special Meeting of EMC Shareholders* for a more detailed discussion of the recommendation.

Record Date; Outstanding Shares; Stockholders Entitled to Vote

The EMC board of directors has fixed the close of business on [ ], 2016, as the record date, for determination of the EMC shareholders entitled to vote at the special meeting or any adjournment or postponement thereof. Only EMC shareholders of record on the record date are entitled to receive notice of, and to vote at, the special meeting or any adjournment or postponement thereof.

As of the record date, there were [ ] shares of EMC common stock outstanding and entitled to vote at the special meeting, held by approximately [ ] holders of record. Each outstanding share of EMC common stock is entitled to one vote. The number of shares you own is reflected on your proxy card.

A list of shareholders entitled to vote at the special meeting will be available for examination by any shareholder for any purpose germane to the special meeting beginning two business days after notice is given of the special meeting during ordinary business hours at 176 South Street, Hopkinton, Massachusetts, EMC s principal place of business, and ending on the date of the special meeting, and such list will also be available at the special meeting during the duration of the meeting or any adjournment thereof.

Quorum

A majority of the outstanding shares of EMC common stock entitled to vote must be present, in person or represented by proxy, to constitute a quorum at the special meeting. Abstentions and broker non-votes will be counted as present in determining the existence of a quorum. A broker non-vote occurs on an item when a nominee or intermediary has discretionary authority to vote on one or more proposals to be voted on at a meeting of shareholders but is not permitted to vote on other proposals without instructions from the beneficial owner of the shares and the beneficial owner fails to provide the nominee or intermediary with such instructions. Because none of the proposals to be voted on at the special meeting are routine matters for which brokers may have discretionary authority to vote, EMC does not expect any broker non-votes at the special meeting.

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Required Vote

The required number of votes for the matters to be voted upon at the special meeting depends on the particular proposal to be voted upon:

Proposal		Vote Necessary*
Proposal 1	Approval of the Merger Agreement	Approval requires the affirmative vote, in person or by proxy, of holders of a majority of the outstanding shares of EMC common stock entitled to vote as of the record date
Proposal 2	Non-Binding, Advisory Vote on Compensation of Named Executive Officers	Approval requires the affirmative vote of a majority of the votes cast, in person or by proxy, at the special meeting
Proposal 3	Adjournment of Special Meeting of EMC Shareholders	Approval requires the affirmative vote of a majority of the votes cast, in person or by proxy, at the special meeting

* Under the rules of the NYSE, if you hold your shares of EMC common stock in street name, your nominee or intermediary may not vote your shares without instructions from you on non-routine matters. Therefore, without your voting instructions, your broker may not vote your shares on Proposal 1, Proposal 2 or Proposal 3. Abstentions from voting will have the same effect as a vote **AGAINST** Proposal 1, and will have no impact on Proposal 2 or Proposal 3. Broker non-votes will have the same effect as a vote **AGAINST** Proposal 1 and will have no effect on Proposal 2 and Proposal 3. Because none of the proposals to be voted on at the special meeting are routine matters for which brokers may have discretionary authority to vote, EMC does not expect any broker non-votes at the special meeting.

Share Ownership of and Voting by EMC Directors and Executive Officers

At the record date, EMC s directors and executive officers and their affiliates beneficially owned and had the right to vote [ ] shares of EMC common stock at the special meeting, which represents [ ]% of the shares of EMC common stock entitled to vote at the special meeting.

It is expected that EMC s directors and executive officers will vote their shares **FOR** the approval of the merger agreement, **FOR** the approval, on a non-binding, advisory basis, of the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger and **FOR** the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

Voting of Shares

If your shares of EMC common stock are registered directly in your name with EMC s transfer agent, Computershare Shareowner Services LLC (formerly BNY Mellon Shareowner Services LLC), then you are considered to be the shareholder of record with respect to those shares, and this proxy statement/prospectus and the accompanying proxy materials are being sent directly to you by EMC. If your shares are held in the name of a nominee or intermediary, then you are considered to hold those shares in street name or to be the beneficial owner of such shares. If you are a beneficial owner, then this proxy statement/prospectus and the accompanying proxy materials are being forwarded to you by your nominee or intermediary who is considered the shareholder of record with respect to the shares.

You may vote in person at the special meeting or you may designate another person your proxy to vote your shares of EMC common stock. The written document used to designate someone as your proxy also is called a proxy or proxy card. We urge you to submit a proxy to have your shares of EMC common stock voted even if you plan to attend the special meeting. You can always change your vote at the special meeting.

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If you are a shareholder of record, then you can have your shares voted by submitting a proxy over the Internet, by mail or by telephone by following the instructions on your proxy card. The deadline for voting by proxy over the Internet or by telephone for the special meeting is [ ] (Eastern Time) on [ ], 2016.

If you are a beneficial owner and hold your shares in street name, or through a nominee or intermediary, such as a bank or broker, you will receive separate instructions from such nominee or intermediary describing how to vote your shares. The availability of Internet or telephonic voting will depend on the intermediary s voting process. Please check with your nominee or intermediary and follow the voting instructions provided by your nominee or intermediary with these materials.

If you hold shares of EMC common stock through your participation in the EMC Corporation 401(k) Savings Plan, the EMC Corporation Deferred Compensation Retirement Plan or the VMware Inc. 401(k) Savings Plan, your voting instructions must be received by the plan trustee by [ ] (Eastern Time) on [ ], 2016, for the trustee to vote your shares. You may not vote these shares in person at the special meeting.

If you plan to attend the special meeting and vote in person and you hold your shares of EMC common stock directly in your own name, then we will give you a ballot when you arrive. However, if you hold your shares in street name, then you must obtain a legal proxy assigning to you the right to vote your shares from the nominee or intermediary who is the shareholder of record. The legal proxy must accompany your ballot to vote your shares in person. You will not be able to vote your shares at the special meeting without a legal proxy and a signed ballot.

You may specify whether your shares should be voted for or against, or whether you abstain from voting with respect to, each of the proposal to approve the merger agreement, the proposal to approve, on a non-binding, advisory basis, the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger, and the proposal to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

Shares of EMC common stock represented by proxies received by EMC (whether through the return of the enclosed proxy card, by telephone or through the Internet), where the shareholder has specified his or her choice with respect to the proposals described in this proxy statement/prospectus will be voted in accordance with the specification(s) so made. If you are a shareholder of record and you do not submit a proxy, no votes will be cast on your behalf on any of the proposals at the special meeting. If you sign and return your proxy card without specific voting instructions, or if you submit a proxy by telephone or via the Internet without indicating how you want to vote, your shares will be voted in accordance with the EMC board of directors voting recommendations as follows:

Item		**Recommendation of EMC Board of Directors**
Proposal 1	Approval of the Merger Agreement	**FOR**
Proposal 2	Non-Binding, Advisory Vote on Compensation of Named Executive Officers	**FOR**
Proposal 3	Adjournment of the Special Meeting	**FOR**

The EMC board of directors does not intend to bring any matter before the special meeting other than those set forth above. However, if any other matters properly come before the special meeting, the persons named in the enclosed proxy, or their duly constituted substitutes acting at the special meeting, will be authorized to vote or otherwise act thereon in accordance with their judgment on such matters.

Your vote is very important, regardless of the number of shares you own. Whether or not you expect to attend the special meeting in person, please submit a proxy as promptly as possible, so that your shares may be represented and voted at the special meeting. If your shares are held in the name of a nominee or intermediary, please follow the instructions on the voting instruction card furnished to you by such record holder.

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Revocability of Proxies

You may revoke your proxy at any time before your shares are voted at the special meeting by:

- sending a signed, written notice stating that you revoke your proxy to the Office of the Secretary, at EMC s offices at 176 South Street, Hopkinton, Massachusetts 01748, Attention: Secretary;

- submitting a valid, later-dated proxy via the Internet or by telephone before 11:59 PM (Eastern Time) on [ ], 2016, or by mailing a later-dated, new proxy card that is received by [ ] prior to the special meeting; or

- attending the special meeting (or if the special meeting is adjourned or postponed, attending the adjourned or postponed meeting) and voting in person, which will automatically cancel any proxy previously given, or revoking your proxy in person, but your attendance alone will not constitute a vote or revoke any proxy previously given.

If you hold your shares in street name, you must contact your nominee or intermediary to change your vote or obtain a legal proxy to vote your shares if you wish to cast your vote in person at the special meeting.

Solicitation of Proxies; Expenses of Solicitation

This proxy statement/prospectus is being provided to EMC shareholders in connection with the solicitation of proxies by the EMC board of directors to be voted at the special meeting and at any adjournments or postponements of the special meeting. EMC will bear all costs and expenses in connection with the solicitation of proxies, except that Denali and EMC will each pay 50% of the costs of printing and mailing this proxy statement/prospectus. EMC has engaged Innisfree M&A Incorporated to assist in the distribution and solicitation of proxies for the special meeting and will pay Innisfree a fee of approximately $75,000, plus reimbursement of reasonable out-of-pocket expenses.

EMC is making this solicitation by mail, but EMC s directors, officers and employees also may solicit by telephone, e-mail, facsimile or in person. EMC will pay for the cost of these solicitations, but these individuals will receive no additional compensation for their solicitation services. EMC will reimburse nominees or intermediaries, if they request, for their expenses in forwarding proxy materials to beneficial owners.

Certain of Denali s directors, officers and employees may also participate in the solicitation of proxies without additional compensation. In addition, the purchasers under the common stock purchase agreements may be deemed to be participants in the solicitation of proxies.

Householding

EMC has not instituted householding for shareholders of record. However, certain brokerage firms may have instituted householding for beneficial owners of shares of EMC common stock held through brokerage firms. If your household has multiple accounts holding shares of EMC common stock, you may have already received householding notification from your broker. Please contact your broker directly if you have any questions or require additional copies of this proxy statement/prospectus. The broker will arrange for delivery of a separate copy of this proxy statement/prospectus promptly upon your request. EMC shareholders may decide at any time to revoke a decision to household, and thereby receive multiple copies.

Adjournment

If, at the special meeting, the number of shares of EMC common stock present in person or represented by proxy and voting in favor of the proposal to approve the merger agreement is not sufficient to approve that proposal, EMC may move to adjourn the special meeting in order to enable the EMC board to solicit additional proxies for the approval of the merger agreement. In that event, EMC will ask its shareholders to vote only upon the adjournment proposal, and not the merger agreement proposal. The adjournment proposal relates only to an adjournment of the special meeting occurring for purposes of soliciting additional proxies for approval of the merger agreement proposal in the event that there are insufficient votes to approve that proposal. EMC retains

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full authority to the extent set forth in its bylaws and Massachusetts law to adjourn the special meeting for any other purpose, or to postpone the special meeting before it is convened, without the consent of any EMC shareholders.

The special meeting may be adjourned from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place, if any, thereof and the means of remote communications, if any, by which shareholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned special meeting, any business may be transacted that might have been transacted at the original meeting. The adjournment may not be for more than 30 days pursuant to the EMC bylaws. If after the adjournment a new record date for determination of shareholders entitled to vote is fixed for the adjourned meeting, the EMC board of directors will fix as the record date for determining EMC shareholders entitled to notice of such adjourned special meeting the same or an earlier date as that fixed for determination of EMC shareholders entitled to vote at the adjourned meeting, and will give notice of the adjourned special meeting to each EMC shareholder of record as of the record date so fixed for notice of such adjourned special meeting. All proxies will be voted in the same manner as they would have been voted at the original convening of the special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the time the proxy is voted at the reconvened meeting.

Tabulation of Votes; Results

EMC will retain an independent party, Broadridge Financial Solutions, Inc., to receive and tabulate the proxies, and to serve as the inspector of election to certify the results of the special meeting.

Preliminary voting results will be announced at the special meeting, and will be set forth in a press release that EMC intends to issue after the special meeting. The press release will be available on EMC s website. Final voting results will be provided in a Current Report on Form 8-K filed with the SEC within four business days after the special meeting. A copy of that Current Report on Form 8-K will be available on EMC s website at *www.emc.com*, after its filing with the SEC and on the SEC s website at *www.sec.gov*.

Other Information

The matters to be considered at the special meeting are of great importance to EMC shareholders. Accordingly, you are urged to read and carefully consider the information contained in or incorporated by reference into this proxy statement/prospectus and submit your proxy via the Internet or by telephone or complete, date, sign and promptly return the enclosed proxy in the enclosed postage-paid envelope. **If you submit your proxy via the Internet or by telephone, you do not need to return the enclosed proxy card.**

Assistance

If you need assistance in completing your proxy card or have questions regarding the special meeting, please contact:

Innisfree M&A Incorporated

501 Madison Avenue, 20th floor

New York, New York 10022

Shareholders may call toll free: (888) 750-5834

Banks and Brokers may call collect: (212) 750-5833

or

EMC Corporation

176 South Street

Hopkinton, Massachusetts 01748

Attention: Investor Relations

Email: emc_ir@emc.com

Telephone: (508) 435-1000

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PROPOSAL 1: APPROVAL OF THE MERGER AGREEMENT

General

This proxy statement/prospectus is being provided to EMC shareholders in connection with the solicitation of proxies by the EMC board of directors to be voted at the special meeting and at any adjournments or postponements of the special meeting. At the special meeting, EMC will ask its shareholders to vote on (1) the approval of the merger agreement, (2) the approval, on a non-binding, advisory basis, of the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger and (3) the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

The merger agreement provides for the merger of Merger Sub with and into EMC; as a result of the merger, the separate corporate existence of Merger Sub will cease, and EMC will continue as a wholly owned subsidiary of Denali. **The merger will not be completed without the approval of the merger agreement by EMC shareholders**. A copy of the merger agreement is attached as *Annex A* to this proxy statement/prospectus. You are urged to read the merger agreement in its entirety because it is the legal document that governs the merger. For additional information about the merger, see *The Merger Agreement*.

Upon the closing of the merger, each share of EMC common stock (other than shares owned by Denali, Merger Sub, EMC or any of its wholly owned subsidiaries, and other than shares with respect to which EMC shareholders are entitled to and properly exercise appraisal rights) automatically will be converted into the right to receive the merger consideration, consisting of (1) $24.05 in cash, without interest, and (2) a number of shares of validly issued, fully paid and non-assessable Class V Common Stock equal to the quotient (rounded to the nearest five decimal points) obtained by dividing (A) 222,966,450 by (B) the aggregate number of shares of EMC common stock issued and outstanding immediately prior to the effective time of the merger, plus cash in lieu of any fractional shares.

The Class V Common Stock is intended to track and reflect the performance of a portion of Denali s economic interest in the VMware business following the completion of the merger; however, there can be no assurance that the market price of the Class V Common Stock will, in fact, reflect the performance of such economic interest. The approximately 223 million shares of Class V Common Stock issuable in the merger (assuming EMC shareholders either are not entitled to or do not properly exercise appraisal rights) are intended to track and reflect approximately 65% of EMC s current interest in the VMware business, which currently consists of approximately 343 million shares of VMware common stock. The number of shares of Class V Common Stock will initially have a one-to-one relationship to approximately 65% of the number of shares of VMware common stock currently owned by EMC. Based on the number of shares of EMC common stock we currently expect will be issued and outstanding immediately prior to completion of the merger, we estimate that EMC shareholders will receive in the merger approximately 0.111 shares of Class V Common Stock for each share of EMC common stock.

Approval of the merger agreement requires the affirmative vote, in person or by proxy, of holders of a majority of the outstanding shares of EMC common stock entitled to vote as of the record date for the special meeting.

THE EMC BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EMC SHAREHOLDERS VOTE FOR THE APPROVAL OF THE MERGER AGREEMENT.

Background of the Merger

The EMC board of directors conducts regular, ongoing assessments of EMC s business strategy, competitive position and prospects to best position EMC to successfully compete in the rapidly changing IT infrastructure environment and meet evolving customer requirements. In this regard, the EMC board of directors, together with senior management, engages in regular, in-depth evaluations of EMC s Federation operating model and strategic alternatives, in each case with a view to improving EMC s operations and financial performance and enhancing shareholder value. In particular, over the course of the last several years, the EMC board of directors and senior management have reviewed and considered a variety of strategic alternatives in light of growing challenges and disruptions in the IT industry caused by macro trends towards technology that is mobile, social, cloud-based and big data-driven and which have increased competition in the IT industry and reduced customer demand for traditional storage products. In the past, these reviews have resulted in the EMC board of directors considering a variety of enhancements to its operating model, code-named Federation 2.X, including, among other alternatives, a spin-off of EMC s shares in VMware to EMC shareholders, capital restructuring transactions, the creation of a tracking stock with respect to EMC s economic interest in VMware, share buy-backs, strategic alliances and acquisition transactions and, more recently, alternatives such as a strategic sale of EMC as a whole, take-private transactions and industry consolidation acquisitions.

From 2012 through the end of September 2015, the EMC board of directors, with assistance from outside consultants, reviewed and discussed EMC s plans for CEO succession.

In connection with its ongoing review of strategic alternatives, commencing in November 2013, the EMC board of directors and senior management, with the assistance of EMC s financial advisors and legal counsel, Skadden, Arps, Slate, Meagher & Flom LLP, referred to as Skadden, engaged in discussions and negotiations with Company X, a leading global provider of enterprise information technology products and services, regarding a potential business combination transaction. The parties ceased discussions regarding a potential transaction in mid-October 2014.

On July 11, 2014, each of Elliott Associates, L.P. and Elliott International Limited, referred to collectively as the Elliott Parties, notified EMC that it intended to file a Hart-Scott Rodino Notification and Report Form with the FTC and the DOJ regarding its intention to acquire a significant interest in EMC s common stock. The Elliott Parties filed their respective notices with the FTC and the DOJ on July 14, 2014 and, since that time, have held a significant interest in EMC s common stock.

On July 21, 2014, The Wall Street Journal reported that an affiliate of the Elliott Parties, Elliott Management Corp., referred to as Elliott Management, and, together with the Elliott Parties, referred to as Elliott, planned to push for a breakup of EMC through a spin-off of EMC s shares in VMware.

From mid-July 2014 through early October 2014, EMC engaged in a number of discussions with representatives of Elliott regarding Elliott s perspectives on strategic alternatives EMC might undertake to enhance shareholder value and on the composition of the EMC board of directors. During this period, EMC, with the assistance of Skadden, also engaged in negotiations with Elliott and its legal counsel regarding the terms of a draft confidentiality and standstill agreement.

On September 24, 2014, Michael S. Dell, the Chief Executive Officer and a director of Denali, contacted Joseph Tucci, EMC s Chief Executive Officer and Chairman, to discuss their respective views of market trends and to assess EMC s interest in a potential transaction between EMC and Denali.

At a meeting of the EMC board of directors held on October 6, 2014, the board discussed with members of EMC s management and EMC s then financial advisors, among other matters, the risks and challenges posed by various strategic alternatives under review by EMC s management, including a spin-off of EMC s shares in VMware to EMC shareholders and a potential transaction with Company X. The board of directors also discussed with management exploring the possibility of partnering with Dell or acquiring certain assets from Dell. At the meeting, the directors expressed their concerns regarding the proposed valuation of the company as well as, among other matters, the execution risks of a potential transaction with Company X, risks associated with Company X s competitive position and the respective prospects of Company X s key businesses. The directors also determined, among other matters, that EMC s financial advisors should prepare an assessment of the financial impact of a spin-off of EMC s shares in VMware and also reviewed the status of next steps and further analysis with respect to a potential transaction with Company X.

After several weeks of unsuccessful negotiations regarding the terms of a draft confidentiality and standstill agreement, on October 8, 2014, Elliott Management sent, on behalf of the Elliott Parties, a public letter to the EMC board of directors expressing Elliott s view that EMC s Federation structure obscured value in EMC s business and assets. The letter set forth Elliott s proposal that EMC increase shareholder value by spinning off its interest in VMware to EMC shareholders, undertaking a leveraged repurchase of EMC shares and pursuing additional strategic alternatives, including the possible sale of assets or of EMC as a whole to one or more strategic counterparties. Following receipt of the public letter and through the remainder of 2014, representatives of EMC and Elliott continued to engage in discussions regarding possible strategic alternatives and continued to negotiate, with the assistance of their respective legal counsel, the terms of a draft confidentiality and standstill agreement. Also during this period, representatives of the Corporate Governance and Nominating Committee of the EMC board of directors informed representatives of Elliott that the committee was then conducting, with the assistance of an outside consultant, a search for potential director candidates, and that if Elliott had any suggested candidates it wished to be considered, Elliott should submit a list of those names to the committee.

On October 15, 2014, Egon Durban, Managing Partner and Managing Director of Silver Lake Partners and a director of Denali, contacted a representative of EMC s senior management team by telephone to discuss a potential transaction between the parties. On October 28, 2014, Mr. Durban met with a representative of EMC s senior management team to further discuss a potential transaction between the parties.

On October 29, 2014, EMC entered into a non-disclosure agreement with Dell and Silver Lake Management Company IV, L.L.C. pursuant to which the parties agreed to keep confidential certain information disclosed by them, in the event any information were to be disclosed, and to use such information solely for the purposes of evaluating a potential transaction between Dell and EMC. The non-disclosure agreement included certain customary standstill restrictions on Dell, Silver Lake Management Company IV, L.L.C and certain of their respective affiliates, which restrictions have since expired.

At a meeting of the EMC board of directors held on November 4-5, 2014, the board discussed with members of EMC s management, among other topics, the alternatives of enhancement to the Federation model versus spinning off EMC s shares in VMware to EMC shareholders. McKinsey & Co., referred to as McKinsey, which had previously been engaged by EMC with respect to various other matters, participated in discussion at this meeting concerning strategic matters and action plans arising out of the meeting held on October 6, 2014 (noting that discussions with Company X had terminated in mid-October 2014), a review of the current benefits of the Federation model and potential enhancements and improvements to such model and related benefits and risks.

On November 7, 2014 and November 11, 2014, Mr. Durban met with and contacted representatives of EMC s senior management team to further discuss a potential transaction between the parties.

On November 14, 2014, Mr. Dell contacted Mr. Tucci by telephone to further discuss a potential transaction between the parties.

On December 4, 2014, a representative of Silver Lake Partners met with a representative of EMC s senior management team to further discuss a potential transaction between the parties.

At a meeting of the EMC board of directors held on December 10, 2014, the board discussed with members of EMC s management the strategic direction of EMC, including the relative challenges and rewards of enhancing the

Federation model versus spinning off EMC s shares in VMware to EMC shareholders. The board also received an update regarding the status of discussions with Elliott, including consideration of a potential candidate identified by Elliott for appointment to the EMC board of directors and a proposed confidentiality and standstill agreement under discussion between EMC and Elliott. Though no definitive decision was reached at the meeting, the board s collective view was that a spin-off of VMware common stock should be further explored. The board also determined that EMC should continue discussions with Elliott regarding director nominees and the confidentiality and standstill agreement, with the belief that reaching agreement on those issues might provide additional time for further consideration of various strategic alternatives.

On January 10, 2015, the EMC board of directors held a telephonic meeting during which the board discussed timing for further evaluation of Federation options, including execution of EMC s 2015 operating plan and a potential spin-off of EMC s shares of VMware. The board also received an update regarding negotiations of a draft confidentiality and standstill agreement with Elliott. The draft agreement provided, among other things, that the EMC board of directors would appoint Jose E. Almeida, a director nominee identified and proposed by EMC during negotiations between the parties, and Donald J. Carty, a director nominee identified and proposed by Elliott during negotiations between the parties who was determined by the Corporate Governance and Nominating Committee of the EMC board of directors, following the committee s interview and review process, to meet the committee s search criteria, to the EMC board of directors and nominate these individuals for re-election at EMC s 2015 annual meeting of shareholders. The draft agreement also required the Elliott Parties to vote in favor of EMC s slate of directors at the 2015 annual meeting of shareholders and to abide by customary standstill restrictions lasting through September 1, 2015. The EMC board of directors evaluated Mr. Almeida s and Mr. Carty s qualifications, prior experience, potential conflicts of interest and such other matters as the EMC board of directors deemed appropriate to consider with respect to the appointment of an independent director and, contingent upon finalizing the agreement, the EMC board of directors voted to approve an increase in the size of the board to thirteen and to appoint Messrs. Almeida and Carty to the board to serve until the 2015 annual meeting of shareholders. Following the appointment of Messrs. Almeida and Carty to the EMC board of directors, the Corporate Governance and Nominating Committee of the EMC board of directors continued its search for an additional potential director candidate meeting its search criteria.

Following the meeting of the EMC board of directors, EMC entered into a confidentiality and standstill agreement with the Elliott Parties, dated January 10, 2015, on the terms and conditions discussed at the meeting of the board.

On January 23, 2015, Mr. Durban met with a representative of EMC s senior management team to further discuss a potential transaction between the parties.

In late January 2015, Mr. Dell and Mr. Tucci met while attending the World Economic Forum in Davos, Switzerland. During this meeting, Mr. Dell and Mr. Tucci further discussed the possibility of a transaction between EMC and Denali. Shortly thereafter, on February 4, 2015, Mr. Tucci, along with another member of EMC s management team, met with Mr. Durban to discuss a possible transaction between the parties, including the possibility of an acquisition of EMC by Denali.

On February 24, 2015, David Strohm, in his capacity as Lead Director of EMC, met with Jesse Cohn, a Portfolio Manager of Elliott Management, in Menlo Park, California to further discuss Elliott s perspectives on how to enhance shareholder value.

On February 26, 2015 and February 27, 2015, the EMC board of directors met with members of EMC management at the offices of VMware in Palo Alto, California. At the meeting, members of management discussed with the board recently reported financial results for EMC for the fourth quarter of 2014 and reviewed EMC s consolidated financial plan for 2015. Management discussed the challenges EMC could expect to encounter to achieve its consolidated financial plan for 2015 given market trends and the need for EMC to continue to focus its product development efforts on new and emerging technologies, including hybrid cloud technologies. During this discussion, members of senior management reviewed with the board the competitive environment and possible acquisition opportunities that could arise in 2015. Following further review and discussion of the competitive landscape, market trends, EMC s results of operations for 2014 and its financial plan for 2015, the board of directors was generally of the view that while EMC should pursue decisive steps in 2015, a spin-off of EMC s shares in VMware was not a preferable option given the benefits of the current

Federation relationship and efforts directed to research and development, acquisitions of companies of strategic interest and overall Federation enhancement would be more beneficial than continued assessment of a spin-off transaction. At the meeting, Mr. Tucci also provided the board of directors with an update regarding recent discussions with representatives of Elliott, and Mr. Strohm summarized his recent meeting with Mr. Cohn of Elliott Management. Also, in connection with its annual review of the company s leadership and governance structure, the board of directors, with the non-independent directors and director William Green abstaining, voted that, effective immediately, Mr. Green should serve as the Lead Director of the company.

On March 16, 2015, March 26, 2015 and March 30, 2015, representatives of Silver Lake Partners met with and contacted representatives of EMC s senior management team to further discuss a potential transaction between the parties.

On April 2, 2015, Mr. Durban met with a representative of EMC s senior management team to further discuss a potential transaction between the parties.

On April 3, 2015, Messrs. Tucci and Green, along with another member of EMC s senior management team, met with Mr. Dell and Mr. Durban in Austin, Texas to discuss a potential acquisition of EMC by Denali. During this meeting, the parties discussed, among other matters, Denali s possible conceptual transaction structures and financing for an acquisition.

Following the April 3, 2015 meeting, the EMC board of directors received a letter from Denali, dated April 9, 2015, setting forth its interest in continuing to evaluate a potential acquisition of 100% of EMC s core business, excluding VMware, for cash consideration, referred to as the April 9 Letter. The letter did not include a specific offer price but indicated that, based on preliminary due diligence, the amount of consideration that Denali would be willing to pay would represent a substantial premium over the value implied by EMC s and VMware s then current public share trading prices. Additionally, Denali conveyed in the letter its strong interest in continuing to evaluate as part of any such transaction the acquisition by it of a meaningful portion of EMC s economic interest in VMware. The April 9 Letter indicated that Denali anticipated that any acquisition of EMC s core business would be financed through a combination of new cash equity from Michael S. Dell, MSD Partners, Silver Lake and potentially Silver Lake s limited partners or other co-investors, excess cash on hand at EMC and Denali and new debt financing from third-party financing sources, with any acquisition of EMC s VMware shares also financed with a combination of new equity and debt capital.

On April 12, 2015, the EMC board of directors met telephonically to discuss with management, among other matters, the April 9 Letter. During this meeting, a member of EMC s senior management team summarized for the board the April 3, 2015 meeting between representatives of EMC and Denali and discussed Denali s interest in an acquisition of EMC. After further discussion of Denali s expression of interest, the EMC board of directors requested that Mr. Tucci inform Denali that the board had received and discussed its letter. The EMC board of directors reserved for further discussion the topic of a potential transaction with Denali if and as the board deemed such discussion useful for the purpose of building shareholder value. At the meeting, a representative of Skadden also reviewed with the board its fiduciary duties in connection with receipt of the April 9 Letter. Additionally, in connection with EMC s plan to enhance the Federation model by creating a managed cloud services business, the board reviewed and discussed with management, and approved a letter of intent with respect to, a potential acquisition by EMC of Virtustream Group Holdings, Inc., referred to as Virtustream, a cloud software and services company.

During the remainder of April 2015 and throughout May 2015, representatives of Denali, including its legal counsel, Simpson Thacher & Bartlett LLP, referred to as Simpson Thacher, and its accounting and tax advisor, Deloitte & Touche LLP, referred to as Deloitte, conducted a preliminary tax due diligence review of EMC for the purposes of considering various transaction structures for the potential transaction. This review generally consisted of meetings and calls between the parties respective tax advisors, management teams and legal counsel. Also during this period, McKinsey began preparing, with the help of EMC s management team, an

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analysis of the potential synergies of a transaction with Denali and an analysis of certain Federation 2.X enhancements. During this period, following director review of a number of potential financial advisory candidates, Mr. Green, with coordination and assistance from members of EMC s management team, also interviewed a number of financial advisors, including Morgan Stanley and Evercore, to act as financial advisors to the EMC board of directors in its review of strategic alternatives.

On April 30, 2015, the EMC board of directors met in Hopkinton, Massachusetts to discuss, among other matters, recent communications with Elliott. At the meeting, the board received and discussed a copy of a letter addressed to the board, dated April 29, 2015, which was sent by Mr. Cohn on behalf of Elliott Management. In the letter, Elliott Management called on the board to take significant and prompt action to maximize EMC s value and requested a meeting between representatives of Elliott Management and a relevant group of EMC s directors, including Mr. Tucci. Mr. Tucci confirmed for the board that, in response to Elliott Management s letter, he along with one or more members of the board would be meeting with representatives of Elliott Management in the upcoming weeks. The board of directors also discussed with management the competitive forces affecting EMC s business, including cloud service offerings and initiatives of various competitors. In connection with this discussion, the board of directors received an update from management regarding ongoing negotiations with respect to the company s proposed acquisition of Virtustream.

On May 5, 2015, Mr. Durban met with a representative of EMC s senior management team to further discuss a potential transaction between the parties.

On May 21, 2015, representatives of Silver Lake Partners contacted a representative of EMC s senior management team by telephone to discuss certain tax matters related to a potential transaction between the parties.

On May 22, 2015, EMC entered into a merger agreement to acquire Virtustream.

On June 2, 2015, Messrs. Tucci and Green, along with other members of the EMC board of directors and senior management, met with Mr. Cohn and other representatives of Elliott Management at EMC s headquarters in Hopkinton, Massachusetts. The representatives of EMC and Elliott Management discussed Elliott Management s concerns reflected in its April 29, 2015 letter, Elliott Management s views regarding potential strategic alternatives available to EMC that could possibly enhance shareholder value and recent initiatives undertaken by EMC to add value, including the pending acquisition of Virtustream.

On June 3, 2015, the non-management directors of the EMC board held a telephonic meeting at which Mr. Green provided the directors with a summary of the June 2, 2015 meeting with representatives of Elliott Management and reviewed an agenda for a call with members of senior management scheduled to occur immediately following the conclusion of the board meeting to discuss the status of the company s review of strategic alternatives. During this later call, members of senior management reviewed: (1) the status of engaging Morgan Stanley and Evercore as financial advisors to assist the company and the board in their assessment of strategic alternatives; (2) the strategic alternatives then being evaluated by senior management, including various Federation 2.X enhancements (including acquisitions of companies of strategic interest, a leveraged recapitalization transaction and continued share buy-backs), a potential sale of the company to Denali and the possibility of investigating whether there might be an opportunity with respect to a potential transaction with Company Y, a global provider of servers, storage and networking solutions; (3) strategies to create a managed cloud services business within the Federation, including through the pending acquisition of Virtustream; and (4) additional considerations, beyond strategic and financial concerns, regarding the various strategic alternatives being considered, including the impact of these alternatives on customers, partners and employees of EMC. During this call, members of senior management also presented a process update with respect to a potential transaction with Denali, including a potential meeting to occur in the coming days between certain members of the EMC board and senior management with representatives of Denali, and a preliminary analysis of the estimated cost and revenue synergies of a potential transaction.

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On June 8, 2015, Messrs. Dell and Durban met with a member of the EMC board of directors and a representative of EMC s senior management team in Boston, Massachusetts to discuss the potential merits and terms of a transaction between the parties and to obtain additional background information regarding Denali s operations and its strategic vision.

On June 9, 2015, EMC entered into a letter agreement with Morgan Stanley, engaging Morgan Stanley to act as a financial advisor to the EMC board of directors with respect to EMC s evaluation of various strategic alternatives for the company. The letter agreement provided for Morgan Stanley to receive a monthly advisory fee during the term of the agreement but did not require EMC to engage Morgan Stanley as a financial advisor in connection with a potential sale transaction or entitle Morgan Stanley to receive a fee if a sale transaction were consummated.

Also on June 9, 2015, Messrs. Tucci and Green, along with a member of EMC s senior management team, met with Messrs. Dell and Durban in Boston, Massachusetts, to further discuss a potential transaction between the parties, including the parties respective strategic visions of how a combined Denali-EMC organization would operate following the closing of any such transaction, and to review certain preliminary due diligence questions posed by Denali regarding EMC s business and operations.

On June 15, 2015, the EMC board of directors held a telephonic meeting at which representatives of Morgan Stanley provided the board with Morgan Stanley s preliminary assessment of several strategic alternatives which might be available to EMC to potentially enhance shareholder value. These alternatives included several standalone strategies, including a levered recapitalization of EMC, the issuance by EMC of a tracking stock that would track EMC s economic interest in VMware, the buy-in of VMware s publicly-held shares and a spin-off of VMware, as well as actions involving third parties, including a sale of EMC to a third party and acquisitions of companies of strategic interest. Morgan Stanley also reviewed and discussed with the board of directors financial forecasts for EMC s core businesses prepared by management and presented its preliminary assessment of the potential future prices of EMC stock under various assumptions. Representatives of Evercore also presented Evercore s independent preliminary view of industry and market dynamics and discussed several alternative strategies EMC could potentially pursue that might positively impact EMC s revenue and earnings per share, including a levered recapitalization transaction and acquisitions of companies of strategic interest. Certain members of management, together with a representative of McKinsey, delivered a presentation discussing EMC s Federation strategy and the status and progress of various Federation 2.X enhancements to this strategy. Certain members of management also presented an update on EMC s long-range planning, including reviewing multi-year forecasts prepared by management under varied assumptions, and a representative of Skadden discussed with EMC s board of directors its fiduciary duties with respect to its review of the various strategic alternatives potentially available to EMC. The EMC board of directors, together with representatives of Morgan Stanley, Evercore and members of management, engaged in a discussion of certain potential benefits associated with the various potential strategic alternatives discussed, as well as certain concerns and considerations related to the various strategic alternatives. Among the concerns or considerations noted were: with respect to a levered recapitalization of EMC, the sustainability of any price impact following share repurchases, the impact of a higher debt load and lower credit rating for EMC s business, and that this alternative might preclude future large business investments or acquisitions; with respect to the issuance by EMC of a tracking stock to track EMC s economic interest in VMware, the potential complexity from having another publicly traded security representing an interest in VMware, possible financial reporting issues, the continuing need to maintain ownership of 80% of outstanding VMware shares to continue to include VMware in its consolidated tax returns, and that this alternative appeared to present only a modest opportunity to EMC to unlock near-term value; with respect to a sale of EMC to a third party strategic buyer, the limited universe of potential buyer candidates, the challenging deal size for any potential buyer, and the potential impact of exogenous distractions on likely buyer candidates; with respect to a take-private transaction, the complexity of such a transaction, the absence of potential synergies to be realized in a transaction with a financial buyer, the limited universe of potential financial buyer candidates, the significant debt financing that would be required for a financial buyer and the limited range of exit opportunities that would be available to a financial buyer; with respect to a possible buy-in of outstanding VMware shares, the likely premium required to effectuate the buy-in, the uncertain valuation of EMC common stock post buy-in, and the effect of the loss of an employee hiring and retention tool; with respect to a spin-off of VMware, the loss of full operational alignment, the potential for material dis-synergies on both revenue and earnings and questions about the future of a separate storage entity; and with respect to acquisitions of strategic interest, potential tax issues and timing, the availability and willingness of potential acquisition targets, the need to pay a transaction premium, potential dilution and execution risks in consummating such acquisitions. Mr. Tucci provided the board of directors with an update on a recent meeting between representatives of EMC and Denali to discuss a potential sale transaction, and another member of the board discussed his recent separate meeting with a representative of Denali. EMC s non-management directors engaged in a discussion of the structural alternatives and Federation 2.X enhancements presented during the meeting and the option of further engaging with Denali regarding a potential transaction in light of the concerns identified with respect to various strategic alternatives. Following this discussion, the directors established a protocol for further discussions with Denali, pursuant to which Mr. Green, with the advice of EMC s financial advisors and the assistance of other non-management directors of EMC, would lead consideration of whether and how to further engage in discussions with Denali regarding a potential transaction.

Following the June 15, 2015 meeting of the EMC board of directors and through September 2015, members of EMC s senior management team and its legal and financial advisors engaged in a number of discussions with respect to, and conducted research and analysis of, several standalone strategies that EMC could pursue to potentially enhance shareholder value, including the issuance by EMC of a tracking stock that would track EMC s economic interest in VMware, and also reviewed certain key terms and conditions that EMC would expect to see reflected in a draft merger agreement for a potential transaction with Denali.

On June 25, 2015, representatives of Silver Lake Partners contacted a representative of EMC s senior management team by telephone to further discuss a potential transaction between the parties.

On June 26, 2015, EMC entered into a letter agreement with Needham & Company, LLC, referred to as Needham, to engage Needham as a financial advisor to EMC in connection with a possible transaction. In connection with this engagement, Needham reviewed and summarized publicly available financial and market data, including with respect to Denali and Dell, for use by management of EMC in evaluating a possible transaction.

On July 1, 2015, representatives of Silver Lake Partners contacted a representative of EMC s senior management team by telephone to further discuss a potential transaction between the parties.

On July 7, 2015, Mr. Tucci and Mr. Dell participated in a call to further discuss the status of a potential transaction.

On July 9, 2015, the closing of the Virtustream transaction occurred, pursuant to which Virtustream became a wholly-owned subsidiary of EMC.

On July 15, 2015, the EMC board of directors received a letter, dated July 13, 2015, from Denali setting forth its non-binding indication of interest regarding an acquisition of 100% of EMC s core federated businesses and EMC s shareholdings in VMware in a transaction that would deliver to EMC shareholders $33.05 per share of total value to EMC shareholders, referred to as the July 15 Letter. Per the July 15 Letter, the proposed per share consideration would consist of $24.69 per share in cash and $8.36 per share in non-voting tracking stock, which tracking stock would be linked to up to 60% of EMC s economic interest in VMware. The July 15 Letter stated that the $33.05 proposal represented a premium to the implied enterprise value of EMC s core federated businesses (excluding VMware) based on trading prices of EMC common stock and VMware Class A common stock as of July 10, 2015, as well as a premium to EMC s one-, two- and five-year trading highs, and that for purposes of Denali s analysis, Denali valued the economic interest represented by the tracking stock at the then-current public market price of the underlying VMware shares. The July 15 Letter also set forth certain terms that Denali expected would be included in a definitive merger agreement for the transaction, including a go-shop period of unspecified duration during which EMC would be permitted to solicit alternative acquisition proposals and to enter into such a proposal if superior to the transaction agreed to by EMC and Denali, subject to EMC paying Denali an unspecified termination fee. The July 15 Letter set forth Denali s view that debt financing for the transaction could be readily obtained, enclosed a letter, dated July 13, 2015, from J.P. Morgan Securities LLC, referred to as JP Morgan, expressing JP Morgan s confidence in underwriting a significant amount of Denali s debt financing and provided additional detail regarding the proposed equity financing for the transaction. The July 15 Letter also indicated that EMC would have the ability to specifically enforce Denali s obligation to close the transaction if Denali s closing conditions are satisfied and the necessary debt financing were to be funded, and that a substantial reverse termination fee would be included in the event the merger agreement were terminated because of Denali s breach or because Denali fails to close because its third-party debt financing is not available. The financing structure outlined in the July 15 Letter assumed that Denali would raise $14 to 16 billion in new common and preferred equity from Michael S. Dell, MSD Partners, Silver Lake and potentially Silver Lake s limited partners.

On July 16, 2015, the EMC board of directors met in Boston, Massachusetts to discuss, among other matters, the July 15 Letter with management and EMC s financial advisors. Representatives of Morgan Stanley, which had been provided a version of the July 15 Letter which had the identity of Denali redacted, provided its assessment of Denali s proposal. The EMC board of directors discussed this assessment and Denali s proposal in detail with the representatives of Morgan Stanley, including in the context of EMC s ongoing assessments of strategic alternatives for the company. The non-management directors agreed that a sale of EMC might be attractive and in the best interests of EMC s shareholders, but that an increase in the proposed consideration should be pursued. The non-management directors instructed Mr. Green, as the board s representative, to inform Denali that the consideration proposed in the July 15 Letter was inadequate, while at the same time communicating the board s desire for additional information regarding Denali s indication of interest. The non-management directors also authorized Mr. Green to further engage Morgan Stanley to advise the board regarding a possible transaction with Denali and with respect to alternative strategies to enhance shareholder value. A representative of Skadden advised the board of directors regarding their fiduciary duties under Massachusetts law in light of their receipt of the July 15 Letter. During the meeting, certain members of management also reviewed with the board of directors EMC s second quarter financial results, noting management s expectation that it would reduce its internal forecast of full-year product bookings for the company and would discuss this information in the upcoming earnings call with investors.

On July 21, 2015, representatives of Silver Lake Partners contacted a representative of EMC s senior management team by telephone to further discuss a potential transaction between the parties.

On July 22, 2015, members of EMC s management team held a conference call with investors to discuss EMC s second quarter financial results and full year outlook. During this call, members of EMC s management team discussed the company s decision to reduce its full year revenue forecast by $400 million, identifying as relevant factors a decline in customer demand for traditional storage products, pressure in certain international markets due to geopolitical issues and its general cost structure.

On July 23, 2015, Messrs. Tucci and Green received an email from Mr. Cohn for circulation to the other members of the EMC board of directors. In the email, Mr. Cohn expressed Elliott Management s disappointment with EMC s second quarter financial results and stated that, upon termination of the standstill restrictions on September 1, 2015, Elliott Management intended to appeal directly to EMC s shareholders for change.

As discussed during the July 16, 2015 meeting of the EMC board of directors, on July 27, 2015, Mr. Green contacted Mr. Dell by telephone to further discuss a potential transaction between the parties. During the call, Mr. Green noted that the EMC board of directors had reviewed and discussed the July 15 Letter and had determined that further discussions should take place between the parties to develop a better understanding of Denali s proposal and to further assess the possibility of a transaction. Mr. Green also conveyed to Mr. Dell the EMC board of directors position that the consideration referenced in the July 15 Letter did not reflect EMC s full value, noting that while the proposed consideration reflected a premium to the then current trading price of EMC shares, the board of directors position was that EMC s recent investments and growth opportunities were not fully reflected in the company s then current market price. Mr. Green also discussed the tracking stock component of the consideration referenced in the July 15 Letter, noting that it would be a key element in the evaluation by EMC shareholders of Denali s proposal, and expressed a need for additional information regarding both the tracking stock and the scope and terms of Denali s financing for the proposed transaction.

On July 28, 2015, representatives of Silver Lake Partners contacted a representative of EMC s senior management team and a representative of Morgan Stanley by telephone to further discuss a potential transaction between the parties.

On July 29, 2015, the EMC board of directors met with representatives of EMC s management and Morgan Stanley in Boston, Massachusetts. At the meeting, a representative of Morgan Stanley discussed Morgan Stanley s assessment, including the valuation implications thereof, of certain standalone Federation 2.X strategies that EMC could pursue, including a leveraged recapitalization of EMC and the issuance by EMC of a tracking stock linked to EMC s interest in VMware, and compared these alternatives to several other strategies involving third parties, including a strategic sale of EMC and the sale of certain non-core businesses. The EMC board of directors discussed these alternatives in detail, including the concerns and considerations associated with these alternatives previously identified. The board of directors also discussed next steps for engaging with Denali regarding a potential transaction, including the need for greater certainty regarding Denali s ability to obtain necessary financing. Mr. Green also provided the board with a summary of his July 27, 2015 call with Mr. Dell. After further discussion, the EMC board of directors determined that the various standalone strategies discussed with Morgan Stanley at the meeting should be developed and considered in parallel with further discussions with Denali regarding a potential transaction.

On July 30, 2015, a meeting of the EMC board of directors was held in Boston, Massachusetts to discuss, among other matters, the principal terms of a proposed engagement letter with Morgan Stanley providing for Morgan Stanley to act as a financial advisor to the board with respect to the evaluation of strategic alternatives. Following the board s discussion of the terms of the proposed engagement letter, the board directed Mr. Green to finalize and execute the engagement letter. Members of Virtustream s management team also presented an overview of the Virtustream business and the opportunities it could provide the Federation in connection with the creation of a managed cloud services business.

On July 31, 2015, representatives of Silver Lake Partners contacted a representative of EMC s senior management team by telephone to further discuss a potential transaction between the parties.

In August 2015, after the board s consideration of Morgan Stanley s qualifications, expertise, reputation, relationships and knowledge of EMC s business, and negotiations as to the terms of its engagement, EMC entered into a letter agreement, dated August 5, 2015, confirming EMC s engagement of Morgan Stanley as of May 24, 2015 to act as a financial advisor to the EMC board of directors in connection with EMC s evaluation of strategic alternatives for the company, including a possible sale of EMC as a whole. Pursuant to the letter agreement, in addition to a monthly advisory fee, Morgan Stanley was entitled to receive a fee if EMC consummated a sale transaction.

On August 3, 2015, representatives of Silver Lake Partners contacted a representative of EMC s senior management team by telephone to further discuss a potential transaction between the parties.

On August 6, 2015, an organizational call was held between representatives of Bain & Company, Inc., referred to as Bain, consultants to Denali, and McKinsey, consultants to EMC, to discuss various business and financial due diligence related matters, including the creation of a data room and the establishment of a clean room protocol for antitrust and competition purposes. Thereafter and continuing throughout the period leading to the execution of the merger agreement, members of Denali s management team, representatives of Silver Lake Partners and Denali s advisors conducted a financial and business due diligence investigation of EMC with the assistance of antitrust counsel to both parties. Denali s financial and business due diligence investigation of EMC generally consisted of, among other things, EMC providing Denali s management team, representatives of Silver

Lake Partners and Denali s financial advisors with financial and other documents related to its business and operations and numerous meetings between the parties respective management teams, representatives and advisors.

On August 7, 2015, representatives of Silver Lake Partners met with a representative of EMC s senior management team to further discuss a potential transaction between the parties.

On August 18, 2015, a representative of Silver Lake Partners contacted a representative of EMC s senior management team by telephone to further discuss a potential transaction between the parties.

On August 18, 2015, during a telephonic meeting of the Corporate Governance and Nominating Committee of the EMC board of directors, the committee authorized another independent director of the EMC board to assist Mr. Green in his communications with both Denali and Elliott and to serve as a liaison to the committee with respect to such communications.

The following day, on August 19, 2015, the EMC board of directors met telephonically with members of EMC s management and representatives of Morgan Stanley and Skadden to further discuss, among other matters, certain standalone strategies that could be pursued by EMC to potentially enhance shareholder value. At the meeting, representatives of Morgan Stanley provided to the EMC board of directors its views with respect to two such strategies the issuance by EMC of a tracking stock reflecting EMC s economic interest in VMware and a leveraged recapitalization of EMC which the directors discussed in detail, noting the issues previously identified with respect to these alternatives continued to be of concern. Morgan Stanley reviewed with the EMC board of directors the terms of certain precedent tracking stocks, noting the potential advantage that a tracking stock linked to EMC s interest in VMware would be well understood given the existing VMware Class A common stock, as well as potential disadvantages, including accounting, legal and corporate complexity, a limitation of EMC s ability to access VMware s cash flows, and that such distribution would reduce the market capitalization of EMC common stock. A representative of Skadden also provided the directors with advice with respect to certain legal considerations related to the issuance of tracking stock. At the meeting, a member of EMC s management team reviewed with the board of directors the data room and related protocols established for Denali and its representatives to continue its financial and business due diligence investigation of the company, which protocols were formulated through discussions with EMC s advisors and representatives of Denali.

In connection with finalizing a clean room protocol, on August 21, 2015, EMC, Dell, Bain and McKinsey & Company, Inc. United States entered into a non-disclosure agreement related to the exchange of confidential information among designated representatives of EMC and Dell and a clean team non-disclosure agreement related to the exchange of competitively sensitive information among designated representatives of EMC and Dell.

On August 27, 2015, Messrs. Green and Tucci and a representative of EMC s senior management team met with Messrs. Dell and Durban to further discuss a potential transaction between the parties.

On August 28, 2015, members of EMC s senior management, together with Mr. Green and another member of the EMC board of directors, met with representatives of Silver Lake Partners and representatives of JP Morgan, Denali s financial advisor, in Morristown, New Jersey. At the meeting, EMC s senior management provided the representatives of Silver Lake Partners and the representatives of JP Morgan with additional information regarding EMC s business, operations and financial position, and the representatives of Silver Lake Partners and the representatives of JP Morgan provided EMC s senior management with additional information regarding the terms of Denali s proposed debt financing.

On September 1, 2015, Messrs. Green and Tucci received a letter from Denali addressed to the EMC board of directors, dated September 1, 2015, referred to as the September 1 Letter. The September 1 Letter set forth Denali s revised non-binding indication of interest to acquire 100% of EMC s core federated businesses and

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EMC s shareholdings in VMware for cash consideration and non-voting tracking stock. The September 1 Letter reconfirmed Denali s overall per share consideration price set forth in the July 15 Letter of $33.05 per share, but modified the allocation of this consideration between cash and tracking stock so as to consist of $24.92 per share in cash and $8.13 per share in tracking stock. Denali s revised indication of interest also provided that the tracking stock would be linked to up to 60-70% of EMC s economic interest in VMware, an increase from the 60% interest referenced in the July 15 Letter, and that for purposes of Denali s analysis, that Denali was valuing the economic interest represented by the tracking stock at the then-current public market price of the underlying VMware shares. The September 1 Letter stated that the $33.05 proposal represented a premium to the implied enterprise value of EMC s core federated businesses (excluding VMware) based on trading prices of EMC common stock and VMware Class A common stock as of September 1, 2015, as well as a premium to EMC s one-, two- and five-year trading highs. The revised indication of interest also set forth Denali s view that EMC s shareholders would receive additional value, not reflected in the $33.05 proposal, through their ownership of the tracking stock and the synergies Denali expected VMware would realize as a result of the transaction. The September 1 Letter noted Denali s intent to continue to invest heavily in the Boston area community and corporate presence and its belief that the enhanced prospects of a combined Dell-EMC would provide retained EMC employees and executives with greater financial and other opportunities than a standalone EMC. The September 1 Letter also reiterated Denali s confidence in obtaining debt financing for the transaction, provided additional information regarding the nature and timing of its proposed financing, and enclosed letters from JP Morgan, dated September 1, 2015, regarding JP Morgan s continued confidence in underwriting Denali s debt financing and its prior favorable financing experiences with Dell and Silver Lake Partners. The financing structure outlined in the September 1 Letter assumed that Denali would raise $6 to 11 billion of preferred equity from unspecified existing limited partners of Silver Lake and $3 to 8 billion of new equity from Michael S. Dell, MSD Partners, Silver Lake and co-investors.

On September 2, 2015, a meeting of the EMC board of directors was held in New York City, at which members of EMC s management provided the directors with additional information regarding a number of Federation 2.X alternatives the company could potentially pursue. The directors compared these alternatives to various other potential strategic options, including a potential transaction with Denali and additional strategic acquisitions of companies of interest. EMC s management also presented data concerning potential aspects of a transaction with Denali, including potential cost and revenue synergies. Representatives of Morgan Stanley provided a market update, including its assessment of current capital market conditions and certain market observations regarding EMC s performance relative to its industry peers, reviewed the financial forecasts for EMC and its valuation analysis of EMC as a standalone company, provided additional financial analysis of a possible recapitalization transaction through the issuance by EMC of a standalone tracking stock and provided an update on the ongoing negotiations of a potential transaction with Denali. The EMC board of directors engaged in a lengthy discussion of the matters presented by management and Morgan Stanley, as well as the September 1 Letter, which was circulated to the directors. The discussion addressed, among other topics, the comparative strategic merits, execution risks and stakeholder considerations of the Federation 2.X alternatives presented and of a potential transaction with Denali, as well as timing considerations applicable to each. With respect to the Federation 2.X alternatives, the directors considered as potential strategic merits the anticipated continued customer support of Federation strategies, the possibility of EMC realizing additional synergies from consolidation transactions and the availability of capital for strategic acquisitions, and as potential risks the uncertainties as to the anticipated growth rates of certain EMC businesses, EMC s size relative to other large information technology companies, possible limited opportunities for strategic partnerships and the culture challenges of strengthening Federation governance and a CEO transition. With respect to a potential transaction with Denali, in addition to the anticipated value of the merger consideration, the directors considered as possible strategic merits the potential position of the combined company as an information technology leader and possible cross-selling opportunities, and as potential risks the uncertainties and impact on EMC s business that could result from possible other bids for EMC, as well as the possible impact on EMC stakeholders, including employees and the local economy, that might result from any workforce reductions implemented by the surviving company. Following this discussion, Messrs. Dell and Durban and a representative of JP Morgan joined the meeting. Mr. Dell discussed with the board of directors the opportunities that could be created by, and benefits

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of, combining Denali s and EMC s respective operations and, along with Mr. Durban and the representative of JP Morgan, provided additional details regarding Denali s proposed financing. Messrs. Dell and Durban also answered a number of questions from the EMC board of directors regarding the effect of the proposed transaction on EMC s employees and other Massachusetts constituencies. Following the departure of Messrs. Dell and Durban and the representative of JP Morgan, the directors continued to discuss the potential transaction with Denali, including the timing and risks of such a transaction, and various Federation 2.X alternatives and the possible benefits and risks of these alternatives as discussed in prior meetings of the EMC board of directors. From this discussion, the non-management directors concluded that they needed additional information to better understand the potential risks and rewards associated with Denali s proposal, including the proposed issuance of tracking stock. At the meeting, the EMC board of directors also unanimously approved the creation of a special committee of the board to consider certain matters related to the creation of a managed cloud services business.

On September 4, 2015, Mr. Durban met with a representative of VMware s senior management to discuss the potential transaction between EMC and Denali.

On September 8, 2015, during a telephonic meeting of the Corporate Governance and Nominating Committee of the EMC board of directors, which certain other members of the EMC board also attended, the directors discussed Temasek as a possible preferred equity financing source proposed by Denali in connection with a potential transaction.

On September 14, 2015, Denali provided representatives of EMC a summary of key terms that Denali proposed be included in a merger agreement for the transaction. Among other matters, Denali s summary proposed a thirty-day go-shop period, an eighteen-month tail period for any EMC termination fee payable due to entry into or consummation of an alternative transaction following termination of the merger agreement, and a closing condition for the benefit of Denali imposing a limit on the percentage of EMC shareholders seeking to assert appraisal rights in respect of the transaction.

The next day, on September 15, 2015, a member of EMC s senior management team and a representative of Morgan Stanley met in-person in Menlo Park, California with representatives of Silver Lake Partners to discuss the summary of key terms proposed by Denali.

Also on September 15, 2015, the Corporate Governance and Nominating Committee of the EMC board of directors met telephonically, along with another member of the EMC board of directors, to discuss, among other matters, the status of certain Federation 2.X enhancements and initiatives undertaken by the company and discussions and work related to a potential transaction with Denali. At the meeting, Mr. Green indicated that he would be participating in an upcoming discussion with representatives of Denali to further review a potential transaction and that he, Mr. Tucci and other representatives of EMC would also be separately meeting with representatives of Elliott Management.

In mid-September 2015, Mr. Green attended a meeting with representatives of Denali. At the meeting, the parties discussed certain proposed terms for a transaction.

On September 17, 2015, Messrs. Green and Tucci, along with another independent director of the EMC board of directors and a member of EMC s senior management team, met with representatives of Elliott Management in New York City. At the meeting, the representatives of EMC and Elliott Management discussed, among other matters, Elliott Management s perspectives on steps EMC could take to enhance shareholder value, reviewed recent value-creating initiatives undertaken by EMC and various other strategic alternatives being considered by EMC and discussed the possibility of the parties entering into another non-disclosure agreement.

On September 18, 2015, members of EMC s senior management team, and representatives of Denali, Silver Lake Partners and Deloitte met to discuss certain tax issues, a proposed requirement that EMC have a minimum amount of cash on hand at closing and related cash repatriation issues in connection with the proposed transaction.

Also, on September 18, 2015, members of EMC s senior management team met with representatives of Silver Lake Partners to discuss certain financial matters in connection with the proposed transaction.

On September 18, 2015, Denali provided a draft merger agreement to EMC. Among other provisions, Denali s draft merger agreement proposed a forty-five day go-shop period, a five business day match right that would continuously reset for another five business days as a result of any amendment to financial or other material terms, an EMC termination fee of $3 billion (reduced to $2 billion with respect to the go-shop period), Denali s right to uncapped expense reimbursement from EMC if the merger agreement is terminated in certain circumstances, an eighteen-month tail period for any EMC termination fee payable, a closing condition for the benefit of Denali related to assertion of appraisal rights by EMC shareholders, a requirement that Denali s proposed preferred equity financing be available in order for EMC to be entitled to specific performance of Denali s obligations to consummate the merger, a reverse termination fee of $2 billion, and Delaware governing law and submission to jurisdiction provisions. Denali s draft merger agreement also contemplated a closing condition solely in favor of Denali related to receipt of a tax opinion from Denali s counsel that the merger should be treated as an exchange described in Section 351 of the Internal Revenue Code and that for U.S. federal income tax purposes, the Class V Common Stock should be considered common stock of Denali.

Through October 12, 2015, EMC, Denali, Silver Lake Partners and their respective legal counsel and financial advisors engaged in negotiations concerning the draft merger agreement and its exhibits and schedules, including, among other items, covenants related to the solicitation of acquisition proposals, the ability of the EMC board of directors to change its recommendation, Denali s obligations to obtain financing and consummate the transaction, EMC s rights to specific performance, the parties respective termination rights and the size and triggers for termination fees, including a reverse termination fee.

Commencing in mid-September 2015 and continuing throughout the period leading to the execution of the merger agreement, representatives of Denali, including its legal counsel and accounting advisors, and Silver Lake Partners conducted confirmatory legal, tax and accounting due diligence of EMC. In connection with this review, on September 23, 2015, Simpson Thacher provided a list to Morgan Stanley regarding the legal due diligence that Denali wished to perform on EMC. In response to this legal due diligence request list and other requests from Denali and its advisors regarding tax and accounting due diligence, EMC provided Denali and its legal counsel and accounting advisors with a number of documents related to its business and operations and held several calls between the parties respective legal counsel and accounting advisors.

On September 21, 2015, representatives of EMC, Denali, Silver Lake Partners, Morgan Stanley, Skadden and Simpson Thacher met in person and by videoconference to discuss proposed terms of the tracking stock to be issued to EMC shareholders in connection with the proposed transaction. During the call, Denali provided a written summary of certain key tracking stock principles proposed by Denali, which the parties discussed during the call. Among other matters, Denali s summary proposed that the tracking stock be convertible into Denali common stock at any time based on the relative market value of each security at such time, that the tracking stock represent 60% of EMC s current stake in VMware and that the tracking stock vote together as a single class with Denali s other stockholders. Denali s summary also contained provisions related to a proposed capital stock committee of the Denali board, whose initial members were proposed by Denali to be selected in Denali s sole discretion.

On September 22, 2015, during a telephonic meeting of the Corporate Governance and Nominating Committee of the EMC board of directors, which certain other members of the EMC board also attended, Mr. Green discussed with the directors the substance of his September 17, 2015 meeting with representatives of Elliott Management and a conversation between him and Mr. Cohn of Elliott Management that occurred shortly following the September 17, 2015 meeting. Also at this meeting, the committee determined to recommend that Laura Sen, having been determined after the committee s interview and review process to meet its search criteria, be appointed to the EMC board of directors.

Following the meeting of the Corporate Governance and Nominating Committee of the EMC board of directors, on September 22, 2015, the EMC board of directors met telephonically with certain members of

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EMC s management team. At the meeting, Mr. Green provided the directors with an update regarding a potential transaction with Denali, including information regarding the work undertaken by Denali to secure financing for the transaction and possible timing of next steps to reach agreement on transaction terms. He also provided the directors with an update regarding the status of certain ongoing work related to Federation 2.X initiatives, including with respect to the possible standalone strategy of EMC issuing tracking stock reflecting its economic interest in VMware. The EMC board of directors discussed at length these matters, including the interdependency of efforts related to a potential transaction with Denali, certain Federation 2.X initiatives and the creation of a managed cloud services business within the Federation, and agreed on the importance aligning these efforts and director oversight given the interrelatedness of these matters. At this meeting, following an evaluation by the EMC board of directors of Ms. Sen s qualifications, prior experience, potential conflicts of interest and such other matters as the EMC board of directors deemed appropriate to consider with respect to the appointment of an independent director, the EMC board of directors also unanimously agreed to increase the size of the board to thirteen members and to elect Ms. Sen to the board.

On September 23, 2015, Skadden provided a revised draft of the merger agreement to representatives of Denali and Silver Lake Partners.

Also on September 23, 2015, Messrs. Green and Tucci received a letter from Denali addressed to the EMC board of directors, dated September 23, 2015, referred to as the September 23 Letter. The September 23 Letter set forth Denali s further revised non-binding indication of interest to acquire 100% of EMC s core federated businesses, excluding VMware, and EMC s shareholdings in VMware for cash consideration and tracking stock. The September 23 Letter proposed total consideration per share of $33.05 to $33.15 (valuing the economic interest represented by the tracking stock at the then current market price of the underlying VMware common stock), noting that Denali had increased its per share consideration of its offer despite a decrease in the EMC share price and industry valuation multiples since its first proposal. The September 23 Letter did not indicate what portion of the consideration would consist of cash consideration versus tracking stock, but provided that the tracking stock would be linked to 60% of EMC s economic interest in VMware. The September 23 Letter stated that the $33.05-$33.15 proposal represented a premium to the implied enterprise value of EMC s core federated businesses (excluding VMware) based on trading prices of EMC common stock and VMware Class A common stock as of September 22, 2015, as well as a premium over specified mean current trading multiples of a group of EMC s industry peers. The September 23 Letter also provided additional information regarding the anticipated timing, sources and amounts of its proposed debt and equity financing. Also enclosed with the September 23 Letter were letters from Merrill Lynch, Pierce, Fenner & Smith Incorporated, referred to as Merrill Lynch, and JP Morgan, each dated September 22, 2015, expressing the confidence of each of Merrill Lynch and JP Morgan in underwriting Denali s debt financing, as well as term sheets for the debt and equity financing. The financing structure outlined in the September 23 Letter assumed that Denali would raise up to $7 billion of preferred equity from existing limited partners of Silver Lake and up to $4 billion of new common equity from Michael S. Dell, MSD Partners, Silver Lake and Silver Lake s and MSD Partners limited partners.

On September 23, 2015, representatives of EMC s senior management team and representatives of Silver Lake Partners met to further discuss the proposed transaction between the parties.

On September 25, 2015, the EMC board of directors met telephonically with management and representatives of Morgan Stanley and Skadden to discuss, among other matters, the September 23 Letter. At the meeting, representatives of Morgan Stanley provided to the board its assessment of the terms of September 23 Letter, including its valuation analysis of the proposed merger consideration, and discussed Denali s proposed sources and uses to fund the transaction. During this review, Morgan Stanley also discussed certain standalone Federation 2.X strategies EMC could alternatively pursue from the point of view of determining the best strategic alternative for EMC shareholders on a risk-adjusted basis. The representatives of Morgan Stanley also provided a valuation analysis of EMC for fiscal years 2015 and 2016 relative to EMC s industry peers. A representative of Skadden reviewed with the board of directors certain key open issues under discussion between Denali and EMC regarding the proposed issuance of tracking stock and Denali s financing for the potential transaction, focusing on issues that could potentially impact the estimated value of the tracking stock and deal certainty, and also reviewed with the directors their fiduciary duties under Massachusetts law under the circumstances. The key open issues as to the proposed tracking stock included whether the tracking stock would be convertible into Denali common stock at a premium, whether the tracking stock would have a separate class vote and under what circumstances, and the composition of the Capital Stock Committee of the Denali board of directors. The key open issues as to deal certainty regarding Denali s financing included whether Denali s debt commitment letters would be subject to funding conditions related to Denali s existing business or the combined enterprise, whether Denali s debt and common equity commitments would be subject to funding conditions related to the availability of Denali s proposed preferred equity financing, the timing of the marketing period and the size and triggers for the reverse termination fee. Mr. Green provided the directors with an update regarding possible next steps with respect to the proposed transaction with Denali. In executive session, the non-management directors discussed the various presentations by Morgan Stanley and Skadden at length and their respective views of the challenges and risks presented by certain aspects of both Denali s revised indication of interest and the various alternative standalone Federation 2.X strategies and their view that EMC should continue to pursue a possible transaction with Denali.

On September 25, 2015, representatives of EMC s senior management team, Silver Lake Partners and Bain met to further discuss the proposed transaction between Denali and EMC.

On September 26, 2015, a member of EMC s senior management team attended a call with Mr. Durban to discuss EMC s and Denali s respective positions as to certain key open transaction terms. Among the principal provisions discussed were those relating to the terms of EMC s right to solicit alternative acquisition proposals during a go-shop period, Denali s obligations to secure debt and common equity financing sufficient to close the transaction, risks associated with the availability of the proposed preferred stock financing and the amount of the per share merger consideration and the allocation of the consideration between cash and tracking stock.

Following the call between a member of EMC s senior management team and Mr. Durban, on September 26, 2015, Simpson Thacher circulated to EMC, Morgan Stanley and Skadden a list setting forth principal open business issues identified by Simpson Thacher, Denali and Silver Lake Partners in their review of the revised draft merger agreement. Shortly following circulation of the list, the parties and their respective legal and financial advisors participated in a call to discuss the open transaction terms which related to, among other things, Denali s financing, including the timing of the marketing period and conditions to funding, a proposed requirement that EMC have a minimum amount of cash on hand at closing to be available in connection with the financing of the transaction, the terms of EMC s right to solicit alternative acquisition proposals during a go-shop period, the ability of the EMC board of directors to change its recommendation, the parties respective termination rights and the size and triggers for termination fees, including a reverse termination fee, EMC s rights to specific performance, the appropriate efforts standard to obtain the requisite antitrust approvals for the transaction, the treatment of equity awards and other employee compensation and benefits matters and the scope of the parties respective conditions to closing. During this call, the parties resolved certain of the identified open issues (including the 60-day duration of the go-shop period and the twelve-month tail period for any EMC termination fee) and deferred others for further negotiation and discussion. In response to EMC s concerns over the certainty of Denali s financing, Denali indicated that it was seeking to obtain debt commitment letters with a funding condition related to EMC s business that would follow the material adverse effect definition in the merger agreement (and no condition related to Denali s existing business or the combined enterprise), and that Denali was reviewing the size of any preferred equity investment. The parties also discussed the status of Denali s due diligence investigation of EMC. At the conclusion of the call, the parties agreed that certain members of the parties respective management teams and Skadden and Simpson Thacher would participate in a call to further discuss the status of the remaining key open business issues and that this call would occur prior to an in-person meeting of the parties respective management teams expected to take place on September 29, 2015 in Menlo Park, California. Shortly following the conclusion of the parties call on September 26, 2015, a member of EMC s senior management team contacted a representative of Silver Lake Partners to confirm the timing of the call between Denali s and EMC s respective legal advisors and select members of management and to confirm next steps to facilitate a discussion between the parties respective business teams on September 29, 2015.

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On the morning of September 28, 2015, Simpson Thacher circulated to EMC, Morgan Stanley and Skadden an updated list of the principal open business issues, identifying the status of, and proposed next steps to resolve, each issue. Later that day, members of each party s respective management team and Skadden and Simpson Thacher participated in a call to discuss the updated issues list and further discuss each party s respective position.

On September 29, 2015, EMC s and Denali s respective management teams and representatives of Silver Lake Partners met in Menlo Park, California to further discuss the status of the principal open business issues. Representatives of Skadden, Morgan Stanley and Simpson Thacher also participated in the meeting by telephone. Later that day, Skadden and Simpson Thacher participated in a call to negotiate and discuss certain other open legal issues and terms reflected in the draft merger agreement.

Among other matters, the updated list of principal open business issues and related discussions with advisors on September 28-29, 2015 confirmed that EMC and Denali were aligned on the expectation that Denali s debt commitment letters would not include any material adverse effect condition related to Denali s business. However, Denali and its representatives indicated that Denali was continuing to look at alternatives related to sizing and terms of potential preferred equity financing and that the availability of specific performance to EMC if such financing were not available remained an open issue. The parties also discussed the need to develop a mutually agreed plan on availability of EMC cash at closing and a minimum amount to be reflected in the merger agreement reflecting an appropriate cushion above forecasted cash levels. The parties further acknowledged that resolution of open issues as to the delivery of opinions of tax counsel as a condition to closing and the level of certainty in such opinions would be dependent on the terms of the tracking stock.

Also on September 29, 2015, a telephonic meeting of the Corporate Governance and Nominating Committee of the EMC board of directors was held, which certain other members of the EMC board also attended. At the meeting, the directors discussed, among other matters, certain items that they believed should be addressed in an upcoming board update being prepared by management and the company s financial advisors regarding Federation 2.X, including a review of prior analysis of various strategic alternatives and a risk-adjusted valuation of certain Federation 2.X alternatives, and the proposed transaction with Denali, including the anticipated trading range for EMC stock upon announcement of a transaction and the anticipated tracking stock value.

On October 1, 2015, in response to the written summary of certain key tracking stock principles proposed by Denali on September 21, Skadden provided Denali and Simpson Thacher with an initial draft of terms related to the proposed tracking stock to be included in the amended and restated certificate of incorporation of Denali to be in effect upon the closing of the proposed transaction. The proposed terms included that the tracking stock be convertible into Denali common stock only at such time as the Denali common stock was publicly traded and at a 20% premium to the relative trading values at such time, that the tracking stock have a separate class vote in certain circumstances, including charter amendments and business combinations, and that the members of the Capital Stock Committee of the board of directors of Denali be agreed upon by Denali and EMC as of signing definitive transaction documents. Through October 12, 2015, EMC, Denali and their respective legal counsel and applicable financial advisors engaged in negotiations of the draft certificate of incorporation and other related tracking stock documents, including by-law provisions of Denali to be adopted in connection with the closing of the proposed transaction and a tracking stock policy statement of the board of directors of Denali setting forth certain procedures intended to protect the rights of the holders of the tracking stock following the closing of the proposed transaction. During this time, the parties discussed and negotiated, among other matters, the voting, conversion, redemption and dividend rights of holders of the tracking stock, as well as matters relating to a Capital Stock Committee of the board of directors of Denali that would oversee certain matters relating to the tracking stock. While certain terms were included in or omitted from the Class V Common Stock in order to further support the intended tax treatment of the transaction and the Class V Common Stock being recognized as common stock of Denali (see *Proposal 1: Approval of the Merger Agreement Material*

U.S. Federal Income Tax Consequences of the Merger to U.S. Holders), EMC s management team and representatives of Skadden and Morgan Stanley were able to negotiate transaction terms that were more favorable to EMC shareholders than those originally proposed by Denali. In particular, the parties agreed that the tracking stock would be convertible into Denali common stock only at such time as the Denali common stock was publicly traded and at a premium of 10-20% to the relative trading values at such time depending on the date of conversion, and that the tracking stock would have a separate class vote for certain charter amendments and business combinations. In addition, the parties agreed that (1) prior to consummation of the merger, Denali would consult with the chairman of the EMC board of directors concerning the individuals proposed by Denali to serve on the Denali board of directors following closing who would satisfy the independence requirements of a company listed on the national securities exchange on which the tracking stock would be listed, (2) the chairman of the EMC board of directors would be able to remove from consideration one person so proposed by Denali to serve on the Denali board of directors following consummation of the transaction, and (3) certain restrictions would be included in the Denali charter prohibiting Denali for two years from acquiring shares of VMware if such share acquisitions would cause the VMware common stock to cease to be publicly traded or VMware to cease to file reports under the Exchange Act.

Beginning in the spring of 2015 and continuing through October 12, 2015, representatives of Denali and Silver Lake engaged in extensive negotiations with respect to the arrangement of the debt financing for the transaction, providing representatives of EMC with periodic updates regarding such negotiations. Following such negotiations, a banking group consisting of eight banks and their affiliates agreed to provide debt financing for the transaction. On October 2, 2015, Simpson Thacher circulated to Skadden a revised draft of the merger agreement and drafts of certain documents related to Denali s proposed equity and debt financing, including a form of common stock purchase agreement pursuant to which certain investors would provide common equity financing for the transaction, a form of securities purchase agreement pursuant to which certain investors would provide preferred equity financing for the transaction and a debt commitment letter. Consistent with prior discussions among Denali, Silver Lake, EMC and certain of their advisors, the debt commitment letter did not include any material adverse effect condition related to Denali s business. However, the initial draft of the debt commitment letter included a funding condition related to Denali s proposed preferred equity financing. Through October 12, 2015, EMC, Denali and their respective legal counsel and financial advisors, as well as Mr. Dell, MSD Partners, Silver Lake Partners, and the banks and other parties providing financing, and their respective legal counsel, engaged in negotiations of the documents related to Denali s proposed equity and debt financing. During this time, EMC and Denali discussed and negotiated, among other matters, deal certainty risks associated with Denali s ability to secure its proposed preferred equity financing, with the parties ultimately agreeing that Denali s financing package would consist of debt and common equity and that the SLP investors, the MD stockholders and the MSD Partners stockholders would commit to an aggregate common equity investment of up to $4.25 billion. For more information about the terms of Denali s debt and equity financing, see *Financing of the Merger* and *The Merger Agreement Common Stock Purchase Agreements*.

Also, on October 2, 2015, representatives of EMC s senior management team met telephonically with representatives of a potential financing source for Denali to discuss the potential transaction.

Also on October 2, 2015, representatives of EMC s senior management team and representatives of Silver Lake Partners met telephonically to further discuss the proposed transaction between EMC and Denali.

On October 4, 2015, Mr. Green participated in a conference call with members of EMC s management and representatives of Skadden and Morgan Stanley to review and discuss the key remaining open issues in the draft merger agreement and possible EMC responses with respect to such matters. The call was held in anticipation of a call to be held the next day among Mr. Green, members of EMC s senior management team and representatives of Silver Lake Partners to continue to discuss and resolve open transaction terms. The discussion focused on matters that could affect deal certainty, including matters related to Denali s proposed debt and equity financing, such as the timing of the marketing period and risks related to Denali s proposed preferred equity financing, the parties obligations to obtain necessary antitrust approvals, a requirement that EMC have a minimum amount of cash on hand at closing, the parties respective termination rights and the size and triggers for termination fees, including a reverse termination fee, and the amount of the proposed per share consideration, including the allocation between cash consideration and tracking stock. Representatives of Skadden and Morgan Stanley also reviewed with Mr. Green certain possible key issues related to the tracking stock.

During a call on October 5, 2015, Mr. Green, members of EMC s senior management team and representatives of Silver Lake Partners discussed key remaining open issues in the draft merger agreement, including the amount of the per share merger consideration and certain key issues related to the tracking stock. Following the call, certain members of EMC s senior management team and representatives of Silver Lake Partners who participated in the call communicated by email and telephone to confirm resolution of certain items (including per share merger consideration of $33.15, that no closing condition would be included in relation to assertion of appraisal rights by EMC shareholders and that the merger agreement would be governed by Massachusetts law and disputes resolved in Massachusetts courts), and to reiterate the parties respective positions with respect to certain remaining open issues.

Also, on October 5, 2015, Mr. Tucci met telephonically with representatives of Temasek, a potential financing source for Denali, to discuss the potential transaction.

On October 6, 2015, the EMC board of directors met in New York City to discuss, among other matters, the proposed transaction with Denali. At the meeting, representatives of Morgan Stanley provided to the board a capital markets update, its updated assessment and financial analysis of various Federation 2.X alternatives, its analysis of the issuance of a VMware tracking stock, its updated assessment of a transaction with Denali, including the size of the termination fees under discussion by the parties, its updated valuation of EMC as a standalone company, and its analysis of whether there were other potential competing buyers for a sale transaction. Morgan Stanley also confirmed for the board its view that the proposed transaction with Denali offered a greater risk-adjusted value to EMC shareholders than other strategic alternatives available to the company and also noted that in its view the proposed termination fees to be paid by EMC were unlikely to deter any potential third-party bidders. Morgan Stanley also discussed with the EMC board of directors the favorable comparison of the proposed tracking stock to precedent tracking stocks, in that this would initially be tracking an economic interest in a publicly traded company with an established trading market as well as its own audit committee and governance protocols. Representatives of Evercore also presented their independent preliminary view of the current business environment, tracking stock dynamics and the proposed transaction with Denali. Evercore noted that, in its view and based on the information made available in connection with its preliminary analyses, the proposed transaction with Denali was more attractive than a standalone alternative. The preliminary analyses of Morgan Stanley and Evercore were discussed at the meeting, and the financial analyses used for purposes of Morgan Stanley and Evercore rendering their respective opinions on October 11, 2015 are described below under the headings *Opinions of EMC s Financial Advisors Opinion of Morgan Stanley* and *Opinions of EMC s Financial Advisors Opinion of Evercore*. Representatives of Skadden described provisions of the proposed merger agreement, including the proposed treatment of outstanding equity awards, and provided the directors with an overview of key outstanding issues under negotiation with respect to the draft merger agreement, focusing on matters that could potentially affect deal certainty. Skadden also discussed with the board its fiduciary duties under Massachusetts law. The directors reviewed with members of management forecasts and valuation analyses for the company in comparison to the proposed per share merger consideration, and certain members of management provided the directors with their views regarding the proposed transaction as compared to alternative Federation 2.X strategies. EMC s management also reviewed its analysis of potential revenue synergies of the proposed transaction and discussed with the board preliminary third quarter financial results for 2015, which preliminary results indicated that the company s storage bookings for the quarter were below those forecasted by management. The directors again considered the concerns and risks associated with alternative strategies and the anticipated transaction value and perceived degree of transaction certainty associated with the proposed transaction with Denali. Thereafter, an independent director provided the board with a summary of his and Mr. Green s recent discussion with certain senior executives of VMware regarding the proposed transaction, and Mr. Green summarized potential next steps with respect to discussions with Denali. The board also reviewed the principal terms of a proposed engagement letter with Evercore to serve as a financial advisor to the board and directed Mr. Green to continue to finalize the engagement letter.

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Following the meeting of the EMC board of directors, on October 6, 2015, Mr. Strohm resigned from the board of directors and all committees thereof due to increasing conflict with other business and personal obligations.

Also on October 6, 2015, Mr. Green and another independent director of EMC met with certain members of VMware s executive team and two independent directors who were unaffiliated with EMC in New York City to discuss the proposed transaction with Denali. The VMware executives had previously reviewed McKinsey s assessment of potential synergies that could be realized as a result of the transaction.

In early October 2015, Mr. Tucci contacted Mr. Dell to discuss EMC s expectations with respect to its third quarter financial results, including that storage bookings for the quarter were likely to be lower than analyst estimates. Also in early October 2015, a member of EMC s senior management team separately contacted Mr. Durban to discuss EMC s expectations with respect to its third quarter financial results.

On October 7, 2015, Mr. Green, Mr. Tucci, several other members of the EMC board of directors, certain members of EMC s management and representatives of Morgan Stanley met in New York City with two independent directors of VMware who were unaffiliated with EMC to discuss the proposed transaction.

Also on October 7, 2015, EMC entered into a letter agreement with Needham confirming that Needham would receive $500,000 upon the announcement of the merger agreement and $2,000,000 upon the closing of the proposed transaction with Denali for services provided under the terms of the parties June 26, 2015 engagement letter.

On October 7, 2015, representatives of EMC s senior management team met telephonically with representatives of Silver Lake Partners to discuss certain open transaction issues relating to the repatriation of cash in connection with the requirement that EMC have a minimum amount of cash on hand at closing.

On the evening of October 7, 2015, The Wall Street Journal reported that according to unidentified sources Dell and EMC were engaged in discussions regarding a possible transaction.

On October 8, 2015, Skadden provided a revised draft of the merger agreement to representatives of Denali and Silver Lake Partners. From October 8, 2015 through the morning of October 11, 2015, members of EMC s management team and representatives of Skadden and Morgan Stanley participated in extensive telephonic negotiations with members of Denali s management team, representatives of Silver Lake Partners and representatives of Simpson Thacher regarding remaining open issues reflected in the draft merger agreement markups and related tracking stock and financing documents. Among the principal issues discussed were the allocation of the per share merger consideration between cash and tracking stock, the termination and reverse termination fee amounts, the circumstances under which either party could terminate the draft merger agreement and receive a fee, the amount of minimum cash on hand EMC would be required to make available at closing, the timing of the marketing period, Denali s obligation to secure common equity and debt commitments sufficient to close the transaction (regardless of the availability of preferred equity financing), EMC s ability to issue equity awards between signing and closing, the dividend rights of the holders of the tracking stock and the role of the Capital Stock Committee with respect to the oversight of certain tracking stock matters. During the course of these discussions, EMC s management team and representatives of Skadden and Morgan Stanley were able to negotiate transaction terms that were more favorable to EMC shareholders than those originally proposed by Denali and that were in addition to the increase in transaction price set forth in the September 23 Letter. In particular, the parties agreed: that the Class V Common Stock would be linked to 65% of EMC s economic interest in VMware (versus Denali s proposal of 60% in the September 23 Letter); that the SLP investors, the MD stockholders and the MSD Partners stockholders would commit to an aggregate common equity investment of up to $4.25 billion (eliminating the risk associated with the proposed preferred equity financing); to a reverse termination fee of $4 billion (versus Denali s original proposal of $2 billion) (increased to $6 billion if Denali and Dell do not make available the amount of cash on hand to be made available by Denali for the purpose of financing the merger); to a decrease to the amount of minimum cash on hand EMC would be required to make

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available at closing (and an increase to the amount of cash on hand to be made available by Denali); to an EMC termination fee of $2.5 billion (versus Denali s original proposal of $3 billion) outside of the go-shop period; to a $50 million cap on expense reimbursement (versus Denali s original proposal of uncapped expense reimbursement) to Denali if the merger agreement is terminated in certain circumstances; and to a two-business day reset period (versus five business days proposed by Denali) for match rights resulting from any amendment to financial or other material terms (as well as an exception to match rights in the case of an acquisition proposal valued at 115% or more of the merger consideration). In addition, the parties agreed to reciprocal closing conditions with respect to receipt of tax opinions from counsel that the merger, taken together with related transactions, should qualify as an exchange described in Section 351 of the Internal Revenue Code and that for U.S. federal income tax purposes the Class V Common Stock should be considered common stock of Denali.

In October 2015, after the board s consideration of Evercore s qualifications, expertise, reputation and relationships, and negotiations as to the terms of its engagement, and in order to secure the advice of a second independent financial advisor in connection with EMC s evaluation of a sale transaction, EMC entered into a letter agreement, dated October 9, 2015, confirming EMC s engagement of Evercore to act as a financial advisor to the EMC board of directors.

On October 11, 2015, the EMC board of directors met telephonically to consider the terms of the proposed transaction with Denali. Members of EMC s management team and representatives of Skadden and Morgan Stanley also participated in the meeting. A representative of Skadden stated that discussions regarding the draft merger agreement were substantially complete and led the directors through a discussion of a detailed written summary of the merger terms and conditions and the proposed tracking stock terms. The representative from Skadden also discussed with the board the limited open transaction terms under final discussion with representatives of Denali and Silver Lake Partners, including tax treatment for holders of the tracking stock in the event of future changes to tax laws, EMC s and Denali s respective caps on liability and the ability of EMC to grant equity awards prior to closing of the proposed transaction, and reviewed with the directors their fiduciary duties in considering the proposed transaction, including applicable standards for director conduct under Massachusetts law. Representatives of Morgan Stanley also provided Morgan Stanley s assessment of certain key transaction terms, including the terms of the go-shop provision and the size of the termination fees. Representatives of Morgan Stanley and Evercore discussed with the board of directors their respective financial analyses of the proposed transaction, and following their respective discussions, delivered to the EMC board of directors their respective oral opinions, subsequently confirmed in writing, that, as of October 11, 2015, and based upon and subject to the factors, procedures, assumptions, qualifications, limitations and other matters set forth in their respective written opinions, the per share merger consideration set forth in the merger agreement to be received by the holders of EMC common stock entitled to receive such merger consideration was fair, from a financial point of view, to such holders. As the EMC board of directors received fairness opinions from Morgan Stanley and Evercore, the EMC board of directors did not determine it necessary to obtain a fairness opinion with respect to the proposed transaction from an additional financial advisor. For more information about Morgan Stanley s and Evercore s respective opinions, see the discussion under the headings *Opinions of EMC s Financial Advisors Opinion of Morgan Stanley* and *Opinions of EMC s Financial Advisors Opinion of Evercore*. The directors engaged in a detailed discussion of the terms and conditions of the draft merger agreement, including their respective views on the remaining open transaction terms, with the representatives of Skadden. Following further discussion and careful consideration of the potential reasons for and against the proposed transaction (see *EMC s Reasons for the Merger; Recommendation of the EMC Board of Directors* for additional information), the EMC board of directors unanimously declared the merger agreement and the transactions contemplated thereby advisable and in the best interests of EMC and its shareholders and approved and adopted the merger agreement and the transactions contemplated thereby in all respects, subject to Mr. Green s satisfaction, on behalf of the board of directors, of the resolution of the remaining open transaction issues discussed at the meeting.

Following the meeting of EMC s board of directors, during the evening of October 11, 2015, representatives of EMC, Denali and Silver Lake Partners came to agreement on the remaining open transaction terms.

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Representatives of EMC described and discussed the resolution of these matters with Mr. Green, who, on behalf of the EMC board of directors, expressed his satisfaction with such terms. Following the discussion with Mr. Green, legal counsel to EMC, Denali and Silver Lake Partners finalized the transaction documents.

On the morning of October 12, 2015, EMC, Denali and Dell executed the merger agreement. As planned, EMC and Dell then issued a joint press release announcing the transaction.

Following the announcement of the transaction, on October 12, 2015, Elliott Management publicly expressed its strong support for the transaction.

Under the merger agreement, during the go-shop period that began on the date of the merger agreement and continued until 11:59 p.m. (Eastern time) on December 11, 2015, EMC was permitted to solicit, initiate, encourage and facilitate acquisition proposals from unaffiliated third parties, including by providing unaffiliated third parties with nonpublic information pursuant to acceptable confidentiality agreements, and to enter into, continue or otherwise participate in discussions or negotiations with any unaffiliated third party in connection with an acquisition proposal. In the go-shop process, representatives of EMC or Morgan Stanley contacted a total of 15 parties (including 10 potential strategic buyers and 5 potential financial buyers) regarding each such party s interest in exploring a transaction with EMC. Company X was not among the potential strategic buyers contacted during the go-shop period due to changes in the structure and business of Company X which had significantly reduced the strategic rationale for a transaction with EMC and the ability of Company X to undertake such a transaction. Company Y was contacted during the go-shop period but declined to enter into a confidentiality agreement or participate in discussions. No party entered into a confidentiality agreement with EMC. Through the end of the go-shop period, no party submitted an acquisition proposal to EMC or its representatives with respect to a possible transaction.

On May 16, 2016, EMC, Denali, Dell and Merger Sub entered into an amendment to the merger agreement to facilitate mechanisms for timely and orderly allocation of the merger consideration.

EMC s Reasons for the Merger; Recommendation of the EMC Board of Directors

At a meeting held on October 11, 2015, the EMC board of directors unanimously determined that the merger agreement and the transactions contemplated thereby, including the proposed merger, are advisable and in the best interest of EMC and its shareholders, and unanimously resolved to approve and adopt the merger agreement and the transactions contemplated thereby, including the proposed Merger. **The EMC board of directors unanimously recommends that EMC shareholders vote FOR the approval of the merger agreement.**

In evaluating the proposed transaction, the EMC board of directors consulted with EMC s management and advisors and, in reaching its determination and recommendation, considered a number of factors. The EMC board of directors also consulted with outside legal counsel regarding its obligations and the terms of the merger agreement and the Class V Common Stock.

Many of the factors that were considered favored the conclusion of the EMC board of directors that the merger agreement and the transactions contemplated thereby are advisable and in the best interests of EMC and its shareholders, including the following:

- the belief of the EMC board of directors that, as a result of negotiations between the parties, the merger consideration was the highest value per share for EMC common stock that Denali was willing to pay at the time of those negotiations, and that the combination of Denali s agreement to pay such consideration and the go-shop process described below and under *The Merger Agreement Solicitation of Acquisition Proposals* would result in a sale of EMC at the highest value per share for the EMC common stock that was reasonably available;

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the anticipated value of the per share merger consideration in comparison to historical trading prices for shares of EMC common stock, which per share merger consideration had an implied value of $33.15 per share based on the offer of $24.05 cash and an estimated 0.111 shares of Class V Common Stock for each share of EMC common stock (assuming a valuation for one such share of Class V Common Stock of $81.78, the intraday volume-weighted average price of VMware Class A common stock on October 7, 2015 (the last trading date prior to press reports that Denali and EMC were engaged in discussions regarding a possible transaction)), which assumption was used by the EMC board of directors while recognizing that the market price of the Class V Common Stock may not directly correlate to the market price of the VMware Class A common stock, as discussed with each of Morgan Stanley and Evercore, representing a premium of approximately 28% to the closing price of EMC common stock on October 7, 2015 (based on the assumption described above and subject to the limitations recognized with respect to such assumption by the EMC board of directors noted above);

the review and consideration by the EMC board of directors with its financial advisors of the relationship of the potential trading price of Class V Common Stock to the trading price of VMware Class A common stock, which review included:

Morgan Stanley s consideration of potential changes in the trading price of the Class V Common Stock relative to the VMware Class A common stock and its sensitivities analysis assuming a discount / premium range of (5.0%) 5.0%, and

Evercore s consideration that the Class V Common Stock may be valued at a discount to the trading price of VMware Class A common stock on October 7, 2015 (the last trading date prior to press reports that Denali and EMC were engaged in discussions regarding a possible transaction) and sensitivities conducted by Evercore assuming for illustrative purposes a discount within a range of 0-10%;

and, following such review and consideration, the belief of the EMC board of directors that the trading price of Class V Common Stock would likely bear a relationship to the trading price of VMware Class A common stock and the recognition of the EMC board of directors that such relationship could result in the Class V Common Stock trading at a premium or discount to the trading price of VMware Class A common stock;

the fact that a large portion of the merger consideration will be paid in cash, giving EMC shareholders the opportunity to immediately realize value for a significant portion of their investment and providing certainty of value for such portion;

the fact that a portion of the merger consideration will be paid in Class V Common Stock initially intended to track, in the aggregate, approximately 65% of EMC s current economic interest in the VMware business, and give EMC shareholders who retain the Class V Common Stock payable in the transaction the opportunity to benefit from synergies anticipated to be realized by VMware, which were considered by the EMC board of directors within a potential range of approximately $1.1 billion $1.3 billion attributable to VMware as a result of the transaction, as estimated by EMC management with the assistance of outside consultants and informed by discussions with and information available from Denali and VMware, including potential revenue synergies deriving from product complementarity, expanded sales channels and access to emerging markets; and the consideration by the EMC board of directors of the comparison of the Class V Common Stock to precedent tracking stocks, including that the Class V Common Stock would initially be intended to track solely an interest in another publicly-traded company and, when taken together with the fact that the Class V Common Stock would contain different characteristics from the VMware Class A common stock that may affect its market price in distinct ways, would potentially provide investors with a publicly-traded stock with an established trading market to look to for purposes of valuing the VMware business, as well as that, as distinguished from precedent tracking stocks, VMware as a public company would have its own audit committee and governance protocols;

the familiarity of the EMC board of directors with, and understanding of, the business, assets, financial condition, results of operations, current business strategy and prospects of EMC and its subsidiaries;

the merger consideration to be achieved in the proposed transaction with Denali was viewed to present a higher likelihood of delivering greater value to shareholders than strategic alternatives available to EMC after taking into account the execution risks and other concerns of the EMC board of directors as to the ability to successfully implement such alternatives, as described in *Background of the Merger* on pages 165 and 166, which alternatives included changes to EMC s business and operations and capital structure, issuing shares of VMware common stock held by EMC to EMC shareholders in a spin-off transaction and seeking alternative transactions with other third parties, in each case, considering the potential for EMC shareholders to share in any future earnings or growth of EMC s and VMware s business;

the projected long-term financial results of EMC as an independent, publicly owned company and related macroeconomic and industry-specific trends and risks, and the projected long-term financial results of VMware;

the review by the EMC board of directors with its legal and financial advisors, as applicable, of the structure of the proposed transaction and the financial and other terms of the merger agreement, including the terms of the Class V Common Stock, the parties representations, warranties and covenants, the conditions to their respective obligations and the termination provisions, as well as the likelihood of consummation of the proposed transaction and the evaluation of the EMC board of directors of the likely time period necessary to complete the transaction;

the fact that the merger agreement permits EMC to declare and pay to its shareholders regular quarterly dividends of up to $0.115 per share of EMC common stock during the period prior to the completion of the transaction;

the closing conditions included in the merger agreement, including the condition that EMC receive an opinion from its tax counsel confirming the U.S. federal income tax treatment of the merger and the Class V Common Stock, and also including the exceptions to the events that would constitute a material adverse effect on EMC for purposes of the merger agreement, as well as the likelihood of satisfaction of all conditions to completion of the transaction;

the go-shop provisions included in the merger agreement, as well as exceptions to the no-shop provisions that apply after the end of the go-shop period, that are intended to help ensure that EMC shareholders receive the highest price per share reasonably attainable, including:

EMC s right to solicit offers with respect to alternative acquisition proposals during a 60-day go-shop period and to participate in discussions or negotiations with certain third parties that make acquisition proposals during the go-shop period until EMC s shareholders approve the merger agreement;

EMC s right, subject to certain conditions, to respond to and negotiate with respect to certain unsolicited acquisition proposals made after the end of the go-shop period and prior to the time EMC s shareholders approve the merger agreement;

the ability of the EMC board of directors to withdraw or change its recommendation of the merger agreement (subject to Denali s right to terminate the merger agreement), and EMC s right to terminate the merger agreement and accept a superior proposal prior to EMC shareholders approval of the merger agreement, subject in each case to EMC paying Denali a termination fee of $2.5 billion (or $2.0 billion if EMC terminates the merger agreement to accept a superior proposal during the go-shop period) in connection with such termination, which amount the EMC board of directors believed was reasonable in light of, among other matters, the benefits of the transaction to EMC s shareholders, the typical size of such termination fees in similar transactions and the likelihood that a fee of such size would not be a meaningful deterrent to alternative acquisition proposals, as more fully described under *The Merger Agreement Termination Fees* ; and

the belief of the EMC board of directors, following consultation with Morgan Stanley, that the right of Denali to negotiate with EMC for a limited time period to match the terms of any superior proposal would not materially deter an interested third party from making an acquisition proposal;

the fact that the consent of the Capital Stock Committee of the Denali board of directors will be required in connection with certain actions the Denali board of directors may take in respect of the Class V Common Stock, and that a majority of the members of the Capital Stock Committee must qualify as independent directors, as more fully described under *Description of Denali Tracking Stock Policy* ;

the requirement that prior to the completion of the transaction, Denali consult with the chairman of the EMC board of directors concerning the individuals proposed by Denali to serve on the Denali board of directors following the completion of the transaction who satisfy the independence requirements of a company listed on the national securities exchange on which the Class V Common Stock will be listed, and the ability of the chairman of the EMC board of directors to remove from consideration one person so proposed by Denali to serve on the Denali board of directors following the completion of the transaction;

the fact that the Denali board of directors will adopt the Denali Tracking Stock Policy (described under *Description of Denali Tracking Stock Policy*), the terms of which were negotiated between EMC and Denali, to serve as guidelines in making decisions regarding the relationships between the DHI Group and the Class V Group with respect to matters such as tax liabilities and benefits, inter-group debt, inter-group interests, allocation and reallocation of assets, financing alternatives, corporate opportunities, payment of dividends and similar items, and that the Denali board of directors may not change or make exceptions to these policies without the approval of the Capital Stock Committee, the majority of the members of which must qualify as independent directors, as well as the fact that the DHI Group and the Class V Group will be parts of a single company and the Denali board of directors will have the same fiduciary duties to the stockholders of Denali as a whole (and not to an individual group) and that the negotiated terms of the Denali Tracking Stock Policy, as well as the composition of the Capital Stock Committee of a majority independent directors, were intended to mitigate issues with respect to potential conflicts of interest between the DHI Group and the Class V Group;

the likelihood of the transaction being completed , based on, among other matters:

Denali s having obtained committed debt and equity financing for the transaction, the limited number and nature of the conditions to the funding of the debt and equity financing, the reputation of the financing sources and the obligations of Denali pursuant to the merger agreement to obtain the debt financing and equity financing and cause such financing to be funded;

the absence of a financing condition in the merger agreement;

EMC s ability, under circumstances specified in the merger agreement, to seek specific performance of Denali s obligations under the merger agreement, including to cause the common equity financing sources under the common equity purchase agreements described under *Financing of the Merger* to fund their respective investments as contemplated by those agreements; and the requirement that, in the event of a failure of the transaction to be completed under certain circumstances, Denali pay EMC a termination fee of $4 billion, or an alternative termination fee of $6 billion in certain circumstances where Denali has failed to make available the amount of cash on hand required by the merger agreement as described under *The Merger Agreement Termination Fees*, without EMC s having to establish any damages;

Denali s stated intent with respect to investing in the Boston area community, and its agreement to maintain the global headquarters of the combined enterprise systems business of Denali and EMC in the Commonwealth of Massachusetts for a period of at least 10 years following the completion of the transaction and the anticipated benefits to EMC s employees and the economies of the region and state resulting therefrom;

the opinion of Morgan Stanley, dated October 11, 2015, to the EMC board of directors that, as of such date, and based on and subject to the factors, procedures, assumptions, qualifications, limitations and other matters set forth in its written opinion, the merger consideration to be received by the holders of shares of EMC common stock pursuant to the merger agreement was fair from a financial point of view to the holders of EMC common stock. The opinion is more fully described under *Opinions of EMC s Financial Advisors Opinion of Morgan Stanley*); and

the financial analyses of Evercore, financial advisor to EMC, and the opinion of Evercore, dated October 11, 2015, to the EMC board of directors with respect to the fairness to the holders of shares of EMC common stock entitled to receive such merger consideration, from a financial point of view, of the merger consideration, which opinion was based on and subject to the factors, procedures, assumptions, qualifications, limitations and other matters set forth in the opinion, as more fully described under *Opinions of EMC s Financial Advisors Opinion of Evercore*).

In the course of its deliberations, the EMC board of directors also considered a variety of risks and other potentially negative factors, including the following:

the restrictions the merger agreement imposes on soliciting competing proposals after the go-shop period and the customary matching rights in favor of Denali prior to any termination of the merger agreement by EMC to accept a superior proposal;

the fact that, other than with respect to the Class V Common Stock received in the merger, which is intended to represent a portion of Denali s economic interest in the VMware business following completion of the merger, EMC shareholders will have no ongoing equity participation in EMC following the transaction and will cease to participate in EMC s future earnings or growth, if any, or benefit from increases, if any, in the value of EMC common stock;

the possibility that Denali could, at a later date, engage in unspecified transactions, including a restructuring, special dividend or sale of some or all of EMC or its assets, including shares of VMware common stock held by EMC (in which case the holders of Class V Common Stock may be entitled to certain proceeds and/or certain protections, as more fully described under *Description of Denali Capital Stock Following the Merger* and *Description of Denali Tracking Stock Policy*, respectively), to one or more purchasers which could conceivably produce a higher aggregate value than that available to EMC s shareholders in the transaction;

the fact that no public market for the Class V Common Stock currently exists and that the market price of the Class V Common Stock may not directly correlate to the market price of VMware Class A common stock given the different characteristics of the two securities, as discussed with each of Morgan Stanley and Evercore;

the fact that the aggregate number of shares of Class V Common Stock to be received by EMC shareholders as consideration upon the close of the transaction was fixed at the signing of the merger agreement, that a decrease in the market price of VMware Class A common stock during the pendency of the transaction may adversely affect the value of the Class V Common Stock received by EMC shareholders upon the completion of the transaction, and that the merger agreement does not provide for any price-based protection with respect to the market price of the Class V Common Stock;

risks related to Denali s tracking stock capital structure and the characteristics of the Class V Common Stock as described under the section titled *Risk Factors Risk Factors Relating to Denali s Proposed Tracking Stock Structure*, which include the potential for Denali s tracking stock capital structure to create conflicts of interest and decisions by the Denali board of directors that could adversely affect only some holders of Denali s common stock; the nature and characteristics of the proposed Class V Common Stock, certain terms of which were negotiated between EMC and Denali in order that the Class V Common Stock be treated as common stock of Denali to support the intended tax treatment of the transaction (see *Proposal 1: Approval of the Merger Agreement Material U.S. Federal Income Tax Consequences of the Merger to U.S. Holders*), and that the characteristics of the Class V Common Stock, including by virtue of being a tracking stock, are distinct in many respects from the characteristics of EMC common stock;

the possibility that the transaction may not be completed or that completion may be unduly delayed for reasons beyond the control of EMC, including the potential length of the regulatory review process and the risk that applicable antitrust, competition and other governmental authorities may prohibit or enjoin the transaction or otherwise impose conditions in order to obtain clearance for the transaction;

the possibility that, under certain circumstances under the merger agreement, EMC may be required to pay Denali a termination fee of $2.5 billion (or $2.0 billion if EMC terminates the merger agreement to accept a superior proposal during the go-shop period), and that such fee (or up to $50 million of expense reimbursement) may also be payable by EMC to Denali under certain circumstances following the termination of the merger agreement, as more fully described under *The Merger Agreement Termination Fees* ;

the risk that the debt financing contemplated by the debt commitment letter or the common equity financing contemplated by the common equity purchase agreements might not be obtained, resulting in Denali and its affiliates not having sufficient funds to complete the transaction;

the fact that the aggregate amount of the debt financing contemplated by the debt commitment letter and the common equity financing contemplated by the common equity purchase agreements is less than the cash merger consideration and that Denali and EMC will be required to make available at the closing cash on hand, as more fully described under *The Merger Agreement Denali Cash on Hand* and *The Merger Agreement Liquidation of Investments; Cash Transfers*, respectively, in order to fund payment of the cash merger consideration;

the fact that EMC s entitlement to specific performance under the merger agreement to cause Denali to cause the common equity financing to be funded and to cause Denali to complete the transaction is subject to certain requirements, as more fully described under *The Merger Agreement Specific Performance; Governing Law and Jurisdiction; Third-Party Beneficiaries Specific Performance* ;

the fact that in the event the transaction is not completed, EMC s sole monetary remedy against Denali is limited to receipt of a $4 billion (or $6 billion in certain circumstances where Denali has failed to make available the amount of cash on hand required by the merger agreement) termination fee payable by Denali under the applicable circumstances provided by the merger agreement, as more fully described under *The Merger Agreement Termination Fees* ;

the risks and costs to EMC if the transaction does not close, including:

- uncertainty about the effect of the proposed merger on EMC s employees, customers and other parties, which may impair EMC s ability to attract, retain and motivate key personnel, and could cause customers, suppliers, financial counterparties, joint venture partners and others to seek to change existing business relationships with EMC;

that EMC is required under the merger agreement to use commercially reasonable efforts to conduct its business in the ordinary course consistent with past practice until the transaction is completed or the merger agreement terminates, subject to limited exceptions, and, without the consent of Denali, will be prohibited from making acquisitions and investments, accessing the debt and capital markets and taking other specified actions until the transaction is completed or the merger agreement terminates, which may prevent EMC from pursuing otherwise attractive business opportunities and taking other actions with respect to its business that it may consider advantageous;

the fact that the receipt of cash in partial consideration of shares of EMC common stock pursuant to the transaction will be a taxable transaction for U.S. federal income tax purposes;

the transaction costs to be incurred in connection with the proposed transaction, including in connection with any litigation that may result from the announcement or pendency of the transaction, some of which will be payable even if the transaction is not completed;

the risk that EMC shareholders may not approve the merger agreement; and risks of the type and nature described under the sections titled *Risk Factors* and *Cautionary Information Regarding Forward-Looking Statements*, respectively, and in the documents incorporated herein by reference.

The EMC board of directors considered all of these factors as a whole and, on balance, concluded that they supported a determination to approve the merger agreement. The foregoing discussion of the information and factors considered by the EMC board of directors is not exhaustive. In view of the wide variety of factors considered by the EMC board of directors in connection with its evaluation of the proposed transaction and the complexity of these matters, the EMC board of directors did not consider it practical to, nor did it attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision. The EMC board of directors evaluated the factors described above, among others, and reached a consensus that the merger agreement and the transactions contemplated thereby, including the transaction, were advisable and in the best interests of EMC and its shareholders. In considering the factors described above and any other factors, individual members of the EMC board of directors may have viewed factors differently or given different weight or merit to different factors.

The EMC board of directors made its determination as to the advisability of the proposed merger and unanimously resolved to approve and adopt the merger agreement and to recommend that EMC shareholders vote in favor of the approval of the merger agreement at a meeting of the EMC board of directors held on October 11, 2015, and on October 12, 2015, EMC, Denali and Dell executed the merger agreement. Following such determination and in accordance with the terms of the merger agreement, EMC conducted a go-shop process to solicit alternative acquisition proposals. No party submitted an acquisition proposal to EMC or its representatives with respect to a possible transaction during the go-shop period and no acquisition proposals have been received as of the date of this proxy statement/prospectus. As of the date of this proxy statement/prospectus, the implied value of the merger consideration is $[ ] per share based on $24.05 cash and an estimated 0.111 shares of Class V Common Stock for each share of EMC common stock (assuming a valuation for one such share of Class V Common Stock of $[ ], the closing price of VMware Class A common stock on [ ], 2016 (the most recent practicable trading date prior to the date of this proxy statement/prospectus)), representing a premium of approximately [ ]% to the closing price of EMC common stock on October 7, 2015, the last trading date prior to press reports that Denali and EMC were engaged in discussions regarding a possible transaction. The EMC board of directors has not requested or received updated fairness opinions from its financial advisors (see *Risk Factors Risk Factors Relating to the Merger The fairness opinions obtained by the EMC board of directors from its financial advisors will not reflect changes, circumstances, developments or events that may occur or may have occurred after the date of the opinions*) and continues to recommend that EMC shareholders vote in favor of the approval of the merger agreement.

Opinions of EMC s Financial Advisors

Opinion of Morgan Stanley

EMC retained Morgan Stanley to provide financial advisory services and a financial fairness opinion to the board of directors of EMC in connection with the merger. The board of directors of EMC selected Morgan Stanley to act as its financial advisor based on Morgan Stanley s qualifications, expertise, reputation and knowledge of the business of EMC. At the meeting of the board of directors of EMC on October 11, 2015, Morgan Stanley rendered its oral opinion, subsequently confirmed in writing as of the same date, that, as of such date, and based upon and subject to the factors, procedures, assumptions, qualifications, limitations and other matters set forth in its written opinion, the merger consideration to be received by the holders of shares of EMC common stock pursuant to the merger agreement was fair from a financial point of view to the holders of shares of EMC common stock.

The full text of Morgan Stanley s written opinion, dated October 11, 2015, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations of the review

undertaken in rendering its opinion, is attached as *Annex F* to this proxy

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statement/prospectus and is incorporated by reference. The summary of Morgan Stanley s fairness opinion set forth in this proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion. Shareholders should read this opinion carefully and in its entirety. Morgan Stanley s opinion was for the benefit of the EMC board of directors, in its capacity as such, and addressed only the fairness from a financial point of view of the consideration to be received by the holders of shares of EMC common stock as of the date of the opinion, and did not address any other aspects or implications of the merger. Morgan Stanley was not requested to opine as to, and its opinion does not in any manner address, the underlying business decision of EMC to proceed with or effect the merger or the likelihood of consummation of the merger, nor does it address the relative merits of the merger as compared to any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. Morgan Stanley s opinion was not intended to, and does not, constitute an opinion or a recommendation to any shareholder of EMC as to how such shareholder should vote at the shareholders meetings to be held in connection with the merger, or as to any other action that a stockholder should take relating to the merger. In addition, Morgan Stanley s opinion does not in any manner address the prices at which the Class V Common Stock will trade following the consummation of the merger.

In connection with rendering its opinion, Morgan Stanley, among other things:

(a) Reviewed certain publicly available financial statements and other business and financial information of EMC and VMware, respectively;

(b) Reviewed certain internal financial statements and other financial and operating data concerning EMC and VMware, respectively;

(c) Reviewed certain financial projections prepared by the management of EMC concerning EMC and VMware;

(d) Reviewed information relating to certain strategic, financial and operational benefits anticipated from the merger, prepared by the managements of EMC and Denali;

(e) Discussed the past and current operations and financial condition and the prospects of EMC and VMware, including information relating to certain strategic, financial and operational benefits anticipated from the merger, with senior executives of EMC;

(f) Reviewed the reported prices and trading activity for EMC common stock and VMware Class A common stock;

(g) Compared the financial performance of EMC and VMware and the prices and trading activity of EMC common stock and VMware Class A common stock with that of certain other publicly-traded companies comparable with EMC and VMware, respectively, and their securities;

(h) Reviewed the financial terms, to the extent publicly available, of certain comparable acquisition transactions;

(i) Participated in certain discussions and negotiations among representatives of EMC and Denali and their financial and legal advisors;

(j) Reviewed the merger agreement, the provisions of the Denali certificate related to the Class V Common Stock, the draft commitment letter from a lender substantially in the form of the draft dated October 10, 2015 (the Commitment Letter) and certain related documents;

(k) Reviewed Denali s proposed sources and uses of funds in connection with the transactions contemplated by the merger agreement; and

(l) Performed such other analyses, reviewed such other information and considered such other factors as Morgan Stanley deemed appropriate.

In arriving at its opinion, Morgan Stanley assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to Morgan Stanley by EMC, and formed a substantial basis for its opinion. With respect to the financial projections, including information relating to certain strategic, financial and operational benefits anticipated from the merger, Morgan Stanley assumed that they had been reasonably prepared on bases reflecting the best currently available estimates and judgments of the managements of EMC and Denali, respectively, of the future financial performance of EMC and VMware. At EMC s direction, Morgan Stanley s analysis relating to the business and financial prospects of EMC and VMware for purposes of its opinion was made on the basis of EMC projections concerning EMC and VMware. Morgan Stanley was advised by EMC, and assumed, with EMC s consent, that the financial projections were reasonable bases upon which to evaluate the business and financial prospects of EMC and VMware, respectively. Morgan Stanley expressed no view as to the financial projections or the assumptions on which they were based. In addition, Morgan Stanley assumed that the merger would be consummated in accordance with the terms set forth in the merger agreement without any waiver, amendment or delay of any terms or conditions, including, among other things, that the merger, taken together with related transactions, would be treated as an exchange described in Section 351 of the Internal Revenue Code of 1986, as amended, that Denali would obtain financing in accordance with the terms set forth in the Commitment Letter, and that the final merger agreement would not differ in any material respects from the draft thereof furnished to Morgan Stanley. Morgan Stanley assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the proposed merger, no delays, limitations, conditions or restrictions would be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the proposed merger. Morgan Stanley is not a legal, tax or regulatory advisor. Morgan Stanley is a financial advisor only and relied upon, without independent verification, the assessment of VMware, EMC and their legal, tax or regulatory advisors with respect to legal, tax or regulatory matters. Morgan Stanley expressed no opinion with respect to the fairness of the amount or nature of the compensation to any of EMC s officers, directors or employees, or any class of such persons, relative to the consideration to be received by the holders of shares of EMC common stock in the transaction. Morgan Stanley did not make any independent valuation or appraisal of the assets or liabilities of EMC, Denali or VMware, nor was Morgan Stanley furnished with any such valuations or appraisals. Morgan Stanley s opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Morgan Stanley as of, the date of its opinion. Events occurring after such date may affect Morgan Stanley s opinion and the assumptions used in preparing it, and Morgan Stanley did not assume any obligation to update, revise or reaffirm its opinion.

Morgan Stanley s opinion was limited to the fairness, from a financial point of view, of the consideration to be received by the holders of shares of EMC common stock pursuant to the merger agreement and did not address the relative merits of the merger as compared to any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or were available, nor did it address the underlying business decision of EMC to enter into the merger agreement. Morgan Stanley s opinion was approved by a committee of Morgan Stanley investment banking and other professionals in accordance with its customary practice.

In arriving at its opinion, Morgan Stanley was not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction, involving EMC, nor did Morgan Stanley negotiate with any parties, other than Denali, as to the possible acquisition of EMC or any of its constituent businesses.

Summary of Financial Analyses

The following is a summary of the material financial analyses performed by Morgan Stanley in connection with its oral opinion and the preparation of its written opinion dated October 11, 2015. The following summary is not a complete description of Morgan Stanley s opinion or the financial analyses performed and factors considered by Morgan Stanley in connection with rendering its opinion, nor does the order of analyses described represent the relative importance or weight given to those analyses. In connection with arriving at its opinion, Morgan Stanley considered all of its analyses as a whole and did not attribute any particular weight to any

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analysis described below. Considering any portion of these analyses and factors considered, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying Morgan Stanley s opinion. The various analyses summarized below were based on the closing price of $25.96 per EMC common share as of October 7, 2015, the last trading date prior to press reports that Denali and EMC were engaged in discussions regarding a possible transaction. Some of these summaries of financial analyses include information presented in tabular format. In order to fully understand the financial analyses used by Morgan Stanley, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Furthermore, mathematical analysis (such as determining the average or median) is not in itself a meaningful method of using the data referred to below.

In performing the financial analyses summarized below and in arriving at its opinion, Morgan Stanley utilized and relied upon certain non-public financial projections for EMC on a consolidated, non-GAAP basis (Consolidated EMC) and for VMware as provided by the management of EMC and referred to below (the July Case). Morgan Stanley, based on management guidance, adjusted the July Case with respect to Consolidated EMC, as presented to the Board of Directors, to reflect an incremental interest expense on $2.5 billion of incremental EMC debt from 2018 onwards (the Adjusted July Case). In certain instances, the projections were extrapolated for future periods not accounted for in the projections provided by the management of EMC. Additionally, Morgan Stanley prepared financial projections using publicly available consensus estimates for Consolidated EMC and for VMware through 2017 and extrapolating for future years (the Street Forecast). Extrapolation in the Street Forecast assumed a constant dollar growth in revenue and operating income contribution based on publicly available consensus estimates for 2016 and 2017. Morgan Stanley also utilized financial projections for EMC that deconsolidated VMware from Consolidated EMC by subtracting the VMware financial projections from the Consolidated EMC financial projections to derive financial projections that excluded any contribution from VMware (EMC Core). For further information regarding these financial projections, see the section entitled *Certain Financial Projections Related to EMC.*

Morgan Stanley also calculated the equity value of Consolidated EMC by multiplying EMC s fully diluted shares outstanding times (i) EMC s trading price as of October 7, 2015, the last trading date prior to press reports that Denali and EMC were engaged in discussions regarding a possible transaction, and (ii) the implied merger consideration of $33.15 per share. For purposes of this analysis, Morgan Stanley assumed, based on management guidance, that 1.94 billion basic shares, 29.9 million options at a weighted average exercise price of $12.86 and 56 million restricted or performance stock units were outstanding.

		EMC Consolidated
Price as of October 7, 2015	$	25.96
Fully Diluted Shares Outstanding (million)		2,010
Equity Value (million)	$	52,179
Implied Merger Consideration	$	33.15
Fully Diluted Shares Outstanding (million)		2,013
Equity Value (million)		66,736

Analyses Related to EMC and VMware

Regression Framework

In order to evaluate the relationship between trading multiples and forecasted growth, Morgan Stanley compared certain financial information of EMC with publicly available consensus earnings estimates and public market multiples for other companies that share similar business characteristics with EMC. The companies used in this comparison included:

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Comparable Peer Set 1

	2016 Revenue Growth	2016 AV/EBITDA Multiples	2016 P/E Multiples
Cisco Systems, Inc.	3.6%	6.4x	11.8x
Hewlett-Packard Company	(0.6%)	4.8x	7.5x
International Business Machines Corporation	(0.9%)	7.8x	9.3x
Microsoft Corporation	5.4%	9.1x	15.2x
NetApp, Inc.	1.7%	5.4x	12.0x
Oracle Corporation	2.3%	8.6x	13.7x
SAP SE	5.1%	10.4x	15.2x
Symantec Corporation	3.1%	5.8x	10.6x
VMware, Inc.	11.3%	11.8x	18.0x

Comparable Peer Set 2

	2016 Revenue Growth	2016 AV/EBITDA Multiples	2016 P/FCF Multiples
CA, Inc.	2.0%	7.2x	13.3x
Citrix Systems, Inc.	5.1%	11.1x	15.9x
Red Hat, Inc.	14.8%	21.8x	21.1x
salesforce.com, inc.	20.5%	31.4x	36.3x

For purposes of this analysis, Morgan Stanley performed a regression analysis that evaluated:

Revenue Growth to Key Valuation Metric Regression Framework

the ratio of (i) the stock price to (A) earnings per share (EPS) (adjusted for dilution from equity awards) for Comparable Peer Set 1 or (B) projected free cash flow per share (adjusted for dilution from equity awards) for Comparable Peer Set 2, for calendar year 2016, to (ii) the estimated annual growth rate in revenue for such companies during the period from calendar year 2015 through calendar year 2016, in each case as reflected by publicly available consensus equity research analyst estimates. Morgan Stanley used different analyses for Comparable Peer Set 1 and Comparable Peer Set 2 because, in Morgan Stanley s judgment, the companies included in Comparable Peer Set 1 trade on price-to-earnings (P/E) multiples, while the companies included in Comparable Peer Set 2 trade on free cash flow multiples. This analysis is referred to as the Revenue Growth to Key Valuation Metric Regression Framework and yielded an exponential regression line with an R-squared (a statistical measure of how close the data are to the fitted regression line) value of 88%; and

Revenue Growth to EBITDA Regression Framework

the ratio of (i) the aggregate value, which is defined as fully-diluted market capitalization (calculated using the treasury stock method) plus total debt, less cash and cash equivalents (Aggregate Value), to estimated earnings before interest, taxes, depreciation and amortization and stock-based compensation expense (EBITDA) for calendar year 2016, to (ii) the estimated annual growth rate in revenue for such companies during the period from calendar year 2015 through calendar year 2016, in each case as reflected by publicly available consensus equity research analyst estimates. This analysis is referred to as the Revenue Growth to EBITDA Regression Analysis and yielded an exponential regression line with an R-squared value of 86%.

No company utilized in the regression framework is identical to EMC. In evaluating comparable companies, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of EMC. These include, among other things, the impact of competition on the businesses of EMC and the industry generally, industry growth, and the absence of any adverse material change in the financial condition and prospects of EMC or the industry, or in the financial markets in general.

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Implied Trading Analysis

Consolidated EMC

Morgan Stanley performed an analysis in which it calculated the trading value per EMC common share, using one-year forward price-to-earnings (P/E) multiples for Consolidated EMC and applying such analysis to the Street Forecast and the Adjusted July Case. P/E multiples were derived using the Revenue Growth to Key Valuation Metric Regression Framework and estimated 2016 growth rates and ranged from 12.2x 13.2x for the Consolidated EMC Street Forecast and 11.8x 12.8x for the Consolidated EMC Adjusted July Case. These multiple ranges were selected based on a (0.5)x / 0.5x variance from the applicable point estimates provided in the Revenue Growth to Key Valuation Metric Regression Framework. These calculations resulted in the following ranges:

	Range (1)	
Street Forecast	$ 25.00	$27.00
Adjusted July Case	$ 24.00	$26.00

(1) Per share amounts rounded to the nearest 50 cents.

EMC Core plus VMware

Morgan Stanley performed a separate analysis in which it calculated the trading value per EMC common share using EMC Core on a stand-alone basis plus Consolidated EMC s 81% stake in VMware (EMC Core plus VMware). Morgan Stanley performed the analysis calculating trading value per EMC Core and VMware on a per Consolidated EMC common share basis, using P/E multiples and applying such analysis to the EMC Core and VMware Street Forecast and the EMC Core and VMware Adjusted July Case. P/E multiples were derived using the Revenue Growth to Key Valuation Metric Regression Framework and estimated 2016 growth rates and, for the Street Forecast, ranged from 10.5x 11.5x for EMC Core and 17.8x 18.8x for VMware, and for the Adjusted July Case, ranged from 10.3x 11.3x for EMC Core and 16.4x 17.4x for VMware. These multiple ranges were selected based on a (0.5)x / 0.5x variance from the applicable point estimates provided in the Revenue Growth to Key Valuation Metric Regression Framework. These calculations resulted in the following ranges:

	Range (1)	
Street Forecast	$ 27.50	$29.50
Adjusted July Case	$ 26.00	$28.00

(1) Per share amounts rounded to the nearest 50 cents.

Discounted Future Equity Value Analysis

Morgan Stanley performed a discounted equity value analysis to calculate ranges of implied equity values per common share of EMC as of October 9, 2015, which is designed to provide insight into the estimated future implied value of a company s equity price per share as a function of its estimated future EPS and P/E ratios. The resulting values are subsequently discounted by an assumed cost of equity to arrive at a range of present values for the company s price per share. For purposes of this analysis, Morgan Stanley did not take into account payments of any dividends by EMC.

Consolidated EMC

Morgan Stanley performed an analysis of the present value per EMC common share of implied future trading prices by applying P/E ratios to the estimated one-year forward EPS of Consolidated EMC from year 2017 and year 2019 (i.e., for the twelve-month periods ending December 31, 2017 and December 31, 2019, respectively). All P/E ratios were derived from the Revenue Growth to Key Valuation Metric Regression

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Framework and revenue growth rates for the applicable forward year. Morgan Stanley applied such analysis to both the Street Forecast and the Adjusted July Case. For the Street Forecast, Morgan Stanley used a P/E ratio of 13.2x for year 2017 and 12.8x for year 2019. For the Adjusted July Case, Morgan Stanley used a P/E ratio of 13.7x for year 2017 and 15.0x for year 2019. Morgan Stanley then calculated what the current price of EMC common shares would be if this future share price was discounted back to October 9, 2015, using a discount rate range of 8.3 10.3%. Such range of discount rates, reflecting estimates of Consolidated EMC s cost of equity, was derived by Morgan Stanley using its experience and professional judgment, with the application of an upward/downward sensitivity of 1.0%/(1.0)% to its cost of equity analysis and using the Capital Asset Pricing Model, taking into account a predicted beta of 1.19 based on the U.S. local predicted beta provided by Barra, an estimated risk-free rate of 2.1% based on the interest rate of 10-year U.S. Treasury Notes as of October 9, 2015 and an equity risk premium of 6.0% estimated by Morgan Stanley using its professional judgment and experience.

	2017 Range (1)		2019 Range (1)	
Street Forecast	$ 25.00	$26.00	$ 23.00	$24.50
Adjusted July Case	$ 28.50	$29.50	$ 30.50	$33.00

(1) Per share amounts rounded to the nearest 50 cents.

EMC Core plus VMware

Morgan Stanley performed a separate analysis of the present value per EMC common share of implied future trading prices by applying P/E ratios to estimated one-year forward EPS of EMC Core plus VMware for year 2017 and year 2019. Morgan Stanley applied such analysis to both the Street Forecast and the Adjusted July Case. For the Street Forecast, Morgan Stanley used a P/E ratio of 12.0x for EMC Core and 15.8x for VMware for year 2017, and 11.8x for EMC Core and 14.5x for VMware for year 2019. For the Adjusted July Case, Morgan Stanley used a P/E ratio of 12.7x for EMC Core and 15.9x for VMware for year 2017, and 13.9x for EMC Core and 16.9x for VMware for year 2019. All P/E ratios were derived from the Revenue Growth to Key Valuation Metric Regression Framework and revenue growth rates for the applicable forward year. Morgan Stanley then calculated what the current price of EMC common shares would be if the future share prices of EMC Core and VMware were discounted back to October 9, 2015, using discount rate ranges of 8.3 10.3% for EMC Core and 8.0 10.0% for VMware. Such ranges of discount rates, reflecting estimates of EMC Core s and VMware s respective costs of equity, were derived by Morgan Stanley using its experience and professional judgment, with the application of an upward/downward sensitivity of 1.0%/(1.0)% to each company s cost of equity analysis and using the Capital Asset Pricing Model, taking into account a predicted beta of 1.19 for EMC Core and 1.15 for VMware, each based on the U.S. local predicted beta provided by Barra; an estimated risk-free rate of 2.1% for both EMC Core and VMware, based on the interest rate of 10-year U.S. Treasury Notes as of October 9, 2015; and an equity risk premium of 6.0% for both EMC Core and VMware, each estimated by Morgan Stanley using its professional judgment and experience.

	2017 Range (1)		2019 Range (1)	
Street Forecast	$ 26.00	$27.00	$ 23.50	$25.50
Adjusted July Case	$ 29.00	$30.00	$ 31.00	$33.50

(1) Per share amounts rounded to the nearest 50 cents.

Discounted Cash Flow Analysis

Consolidated EMC

Morgan Stanley performed a discounted cash flow analysis, which is designed to provide an implied value of a company by calculating the present value of the estimated future cash flows and terminal value of the company. Morgan Stanley calculated ranges of equity values per EMC common share based on discounted cash flow analyses until December 30, 2020 for Consolidated EMC. Morgan Stanley relied on the Street Forecast and

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EMC Adjusted July Case for fiscal years 2015 2020 and used the following assumptions: (i) a 15% incremental repatriation tax rate on cash generated offshore, which rate was based on management s guidance; (ii) stock-based compensation as a cash expense; and (iii) restructuring adjustments as a cash expense. Morgan Stanley then calculated a range of implied values of Consolidated EMC by calculating a range of the present values of EMC s unlevered free cash flows (defined as net cash provided by operating activities and certain one-off non-operating activities, plus after-tax net interest expense less additions to property, plant and equipment, capitalized software development costs, and after-tax stock based compensation expense) for the period from September 30, 2015 through December 30, 2020, and a terminal value based on an Aggregate Value to EBITDA (AV / EBITDA) multiple of 7.2x for the Street Forecast and 8.9x for the Adjusted July Case. Morgan Stanley selected these AV / EBITDA multiples based on the Revenue Growth to EBITDA Regression Framework and estimated forward revenue growth in the terminal year. The estimated forward revenue growth in the terminal year was extrapolated from 2020 by assuming a constant dollar growth in revenue and operating income contribution based on the 2020 July case. The free cash flows and terminal values were discounted to present values as of September 30, 2015 at a range of discount rates of 7.3% to 9.3%. Such range of discount rates, reflecting estimates of Consolidated EMC s weighted average cost of capital, was derived by Morgan Stanley using its experience and professional judgment, with the application of an upward/downward sensitivity of 1.0%/(1.0)% to its weighted average cost of capital analysis and using the Capital Asset Pricing Model, taking into account a predicted beta of 1.19 based on the U.S. local predicted beta provided by Barra, an estimated risk-free rate of 2.1% based on the interest rate of 10-year U.S. Treasury Notes as of October 9, 2015, an equity risk premium of 6.0% estimated by Morgan Stanley using its professional judgment and experience, an assumed tax rate of 23.6% based on the Adjusted July Case, and an estimated pre-tax cost of debt of 2.4% based on EMC s current capital structure. The sum of the discounted free cash flow and terminal values resulted in an estimated Aggregate Value. An estimated equity value was calculated by reducing the Aggregate Value by (i) EMC s net debt as of June 30, 2015, which was calculated using reported debt balances and reported cash balances adjusted for a 15% incremental repatriation tax rate on offshore cash amounts, and (ii) the estimated fully-diluted equity value of interests in VMware not owned by EMC, calculated using the discounted cash flows of VMware as described in *Analyses Related to VMware Discounted Cash Flow Analysis* . The resulting equity value was then divided by the fully diluted shares outstanding of EMC which resulted in the following ranges:

	Range (1)	
Street Forecast	$ 31.00	$33.50
Adjusted July Case (without M&A spend)	$ 39.00	$42.00
Adjusted July Case (with M&A spend)(2)	$ 37.00	$40.50

(1) Per share amounts rounded to the nearest 50 cents.

(2) Unlevered Free Cash Flow numbers, as described below under *Certain Financial Projections Related to EMC*, used in this analysis included adjustment to reflect assumption of additional $1 billion per year of incremental M&A spend to sustain growth forecast.

EMC Core plus VMware

Morgan Stanley performed a separate discounted cash flow analysis by calculating ranges of equity values per EMC common share based on the discounted cash flows of EMC Core plus the discounted cash flows of VMware based on the discounted cash flow analysis of VMware set forth below. Morgan Stanley relied on the Street Forecast and Adjusted July Case for fiscal years 2015 2020 and used the following assumptions: (i) a 15% incremental repatriation tax rate on cash generated offshore; (ii) stock-based compensation as a cash expense; and (iii) restructuring adjustments as a cash expense. Morgan Stanley then calculated a range of implied values of EMC by calculating a range of the present values of EMC Core s and VMware s unlevered free cash flows for the period from September 30, 2015 through December 30, 2020, and, for the Street Forecast, a terminal value based on an AV / EBITDA multiple of 6.5x for EMC Core and 7.9x for VMware, and for the Adjusted July Case, an AV / EBITDA multiple of 8.1x for EMC Core and 9.7x for VMware. Morgan Stanley selected these AV / EBITDA multiples based on the Revenue Growth to EBITDA Regression Framework and estimated future revenue growth in the terminal year. The free cash flows and terminal values were discounted to present values as of September 30, 2015 at a range of discount rates of 7.3% 9.3% for EMC Core and 7.7 9.7% for VMware. Such ranges of discount rates, reflecting estimates of EMC Core s and VMware s respective weighted average costs of capital, were derived by Morgan Stanley using its experience and professional judgment, with the application of an upward/downward sensitivity of 1.0%/(1.0)% to each company s weighted average cost of capital analysis and using the Capital Asset Pricing Model, taking into account a predicted beta of 1.19 for EMC Core and 1.15 for VMware, each based on the U.S. local predicted beta provided by Barra; an estimated risk-free rate of 2.1% for both EMC Core and VMware, based on the interest rate of 10-year U.S. Treasury Notes as of October 9, 2015; an equity risk premium of 6.0% for both EMC Core and VMware, each estimated by Morgan Stanley using its professional judgment and experience; an assumed tax rate of 23.6% for EMC Core and 20.2% for VMware, each based on the Adjusted July Case; and an estimated pre-tax cost of debt of 2.4% for EMC Core and 1.8% for VMware, each based on such company s current capital structure. The sum of the EMC Core s and EMC s 78% fully-diluted ownership of VMware s discounted free cash flow and terminal values resulted in an estimated Aggregate Value. An estimated equity value was calculated by reducing the Aggregate Value by EMC Core s net debt plus 78% of VMware s net debt as of June 30, 2015, which were both calculated using reported debt balances and reported cash balances adjusted for a 15% incremental repatriation tax rate on offshore cash amounts. The resulting equity value was then divided by the fully diluted shares outstanding of EMC which resulted in the following ranges:

	Range (1)	
Street Forecast	$ 30.00	$32.50
Adjusted July Case (without M&A spend)	$ 38.00	$41.00
Adjusted July Case (with M&A spend)(2)	$ 36.00	$39.50

(1) Per share amounts rounded to the nearest 50 cents.
(2) Unlevered Free Cash Flow numbers, as described below under *Certain Financial Projections Related to EMC*, used in this analysis included adjustment to reflect assumption of additional $1 billion per year of incremental M&A spend to sustain growth forecast.

Premia Paid Analysis

Morgan Stanley noted the percentage premia paid relative to 30-day average and last twelve month (LTM) high trading prices for selected precedent hardware and software technology transactions since 2002 with a publicly announced transaction value of more than $2 billion (which numbered 40).

Based on the first and fourth quartile median premia of the selected transactions, Morgan Stanley calculated a range of premia relative to EMC s trading price as of October 7, 2015, the last trading date prior to press reports that Denali and EMC were engaged in discussions regarding a possible transaction. In addition to ranges based off of EMC s 30-day average and LTM high trading prices, Morgan Stanley also calculated a range based off of EMC s 1-day spot price as of October 7, 2015 using the selected transactions 30-day average premia. This analysis indicated the following:

	EMC Price	Precedent Premia (First Fourth Quartile)		Range (1)	
1-Day Spot Premium	$ 25.96	21%	59%	$ 31.50	$41.50
30-Day Prior to Announcement	$ 24.24	21%	59%	$ 29.00	$38.50
LTM High	$ 30.89	(12%)	34%	$ 27.00	$41.50

(1) Per share amounts rounded to the nearest 50 cents.

No company or transaction utilized in the precedent premia analysis is identical to EMC or the merger. In evaluating the precedent transactions, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, market and financial conditions and other matters that are beyond the control of EMC, such as the impact of competition on the business of EMC or its industry generally, industry growth and the absence of any adverse material change in the financial condition of EMC or its industry or in the financial markets in general, all of which could affect the public trading value of the companies and the aggregate value and equity value of the transactions to which they are being compared. Morgan Stanley considered a number of factors in analyzing the implied merger consideration of $33.15 per share, which was calculated by Morgan Stanley based on the offer of $24.05 cash and an estimated 0.111 shares of Class V Common Stock per share of EMC common stock, assuming a valuation for one such share of Class V Common Stock of $81.78, the intraday volume-weighted average price of VMware Class A common stock on October 7, 2015 (the last trading date prior to press reports that Denali and EMC were engaged in discussions regarding a possible transaction). That points in the range of implied present values per EMC common share derived from the valuation of precedent transactions were less than or greater than the implied merger consideration is not necessarily dispositive in connection with Morgan Stanley s analysis of the implied merger consideration, but one of many factors that Morgan Stanley considered.

Analyses Related to VMware

Discounted Future Equity Value Analysis

Morgan Stanley performed an analysis of the present value per VMware common share of implied future trading prices by applying P/E ratios to estimated one-year forward EPS of VMware on both a no-synergies basis and assuming revenue synergies of $1.1 $1.3 billion attributable to VMware resulting from the merger for year 2017 and year 2019. Morgan Stanley applied such analysis to both the VMware Street Forecast and the VMware Adjusted July Case. For the VMware Street Forecast, Morgan Stanley used a P/E ratio of 15.8x for year 2017 and 14.5x for year 2019. For the VMware Adjusted July Case, Morgan Stanley used a P/E ratio of 15.9x for year 2017 and 16.9x for year 2019. All P/E ratios were derived from the Revenue Growth to Key Valuation Metric Regression Framework and revenue growth rates for the applicable forward year. Morgan Stanley then calculated what the current price of VMware common shares would be if this future share price was discounted back to October 9, 2015, using a discount rate range of 8.0 10.0%. Such range of discount rates, reflecting estimates of VMware s cost of equity, was derived by Morgan Stanley using its experience and professional judgment, with the application of an upward/downward sensitivity of 1.0%/(1.0)% to its cost of equity analysis and using the Capital Asset Pricing Model, taking into account a predicted beta of 1.15 based on the U.S. local predicted beta provided by Barra, an estimated risk-free rate of 2.1% based on the interest rate of 10-year U.S. Treasury Notes as of October 9, 2015, and an equity risk premium of 6.0% estimated by Morgan Stanley using its professional judgment and experience.

	2017 Range (1)		2019 Range (1)	
VMware Street Forecast				
No Assumed Synergies	$ 75.00	$78.00	$ 70.00	$75.50
With Assumed Synergies	$ 86.00	$91.50	$ 79.50	$87.50
VMware Adjusted July Case				
No Assumed Synergies	$ 71.50	$74.50	$ 78.50	$84.50
With Assumed Synergies	$ 82.50	$87.50	$ 90.00	$99.00

(1) Per share amounts rounded to the nearest 50 cents.

Discounted Cash Flow Analysis

Morgan Stanley calculated ranges of equity values per VMware common share based on discounted cash flow analyses until December 30, 2020 of VMware with and without the assumed synergies described above. Morgan

Stanley relied on the Street Forecast and Adjusted July Case for fiscal years 2015 2020 and used the following assumptions: (i) a 15% tax rate on cash generated offshore; and (ii) stock-based compensation as a cash expense. Morgan Stanley then calculated a range of implied values of VMware by calculating a range of the present values of VMware s unlevered free cash flows for the period from September 30, 2015 through December 30, 2020, and a terminal value based on an AV / EBITDA multiple of 7.9x for the VMware Street Forecast and 9.7x for the VMware Adjusted July Case. Morgan Stanley selected these AV / EBITDA multiples based on the Revenue Growth to EBITDA Regression Framework. The free cash flows and terminal values were

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discounted to present values as of September 30, 2015 at a range of discount rates of 7.7% to 9.7%. Such range of discount rates, reflecting estimates of VMware s weighted average cost of capital, was derived by Morgan Stanley using its experience and professional judgment, with the application of an upward/downward sensitivity of 1.0%/(1.0)% to its weighted average cost of capital analysis and using the Capital Asset Pricing Model, taking into account a predicted beta of 1.15 based on the U.S. local predicted beta provided by Barra, an estimated risk-free rate of 2.1% based on the interest rate of 10-year U.S. Treasury Notes as of October 9, 2015, an equity risk premium of 6.0% estimated by Morgan Stanley using its professional judgment and experience, an assumed tax rate of 20.2% based on the Adjusted July Case, and an estimated pre-tax cost of debt of 1.8% based on VMware s current capital structure. The sum of the discounted free cash flow and terminal values resulted in the Aggregate Value. The equity value was calculated by reducing the Aggregate Value by VMware s net debt as of June 30, 2015, which was calculated using debt balances and cash balances as reported in VMware s quarterly report on Form 10-Q for the quarterly period ended June 30, 2015, adjusted for a 15% repatriation tax rate on offshore cash amounts. The resulting equity value was then divided by the fully diluted shares outstanding of VMware which resulted in the following ranges:

	Range (1)	
VMware Street Forecast		
No Assumed Synergies	$74.00	$79.50
With Assumed Synergies	$80.50	$88.00
VMware Adjusted July Case		
No Assumed Synergies	$83.50	$90.00
With Assumed Synergies	$92.00	$101.00

(1) Per share amounts rounded to the nearest 50 cents.

Other Factors

Morgan Stanley also reviewed and considered other factors, which were not considered part of its financial analyses in connection with rendering its opinion, but were referenced for informational purposes, including the impact of potential changes in the trading price of VMware Class A common stock on the implied value of the per share merger consideration and the impact of potential changes in the trading price of the Class V Common Stock relative to the VMware Class A common stock on the implied value of the per share merger consideration, in each case as described below.

VMware Class A Common Stock Trading Price

Morgan Stanley reviewed publicly available financial information and considered potential changes in the trading price of VMware Class A common stock in analyzing the implied value of the per share merger consideration to be paid to holders of EMC common stock. Morgan Stanley performed a sensitivity analysis of the trading price of VMware Class A common stock, assuming 50% 60% of the percentage change in the VMware Class A common stock trading price translates into a change in the EMC common stock share price and further assuming for purposes of calculating the implied value of the Denali offer that the value of the Class V Common Stock is equal to the VMware Class A common stock. Morgan Stanley selected this range based on the application of its professional judgment and experience.

Illustrative VMware Class A Common Stock Price	Implied EMC Common Stock Price	Implied Value of Denali Offer	Implied Premium to EMC Shareholders
$70.00	$24.05 - $23.67	$31.84	32.4% - 34.5%
$75.00	$24.84 - $24.61	$32.40	30.4% - 31.6%
$80.00	$25.63 - $25.56	$32.95	28.6% - 28.9%
$82.09 (1)	$25.96 - $25.96	$33.15	27.7% - 27.7%
$85.00	$26.42 - $26.51	$33.51	26.8% - 26.4%
$90.00	$27.21 - $27.46	$34.06	25.2% - 24.0%

(1) Price as of October 7, 2015 (the last trading date prior to press reports that Denali and EMC were engaged in discussions regarding a possible transaction)

Class V Common Stock Trading Price

Morgan Stanley also considered potential changes in the trading price of the Class V Common Stock relative to the VMware Class A common stock. Morgan Stanley conducted a sensitivity analysis assuming a discount / premium range of the trading price of the Class V Common Stock relative to the VMware Class A common stock of (5.0%) 5.0%. Morgan Stanley selected this range based on the application of its professional judgment and experience. The results of this sensitivity analysis were as follows:

Illustrative Premium / (Discount)	Implied Class V Common Stock Value	Implied Value of Denali Offer
5.0%	$9.56	$33.61
2.5%	$9.33	$33.38
0.0%	$9.10	$33.15
(2.5%)	$8.87	$32.92
(5.0%)	$8.65	$32.70

General

Morgan Stanley performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a financial opinion is a complex process and is not necessarily susceptible to a partial analysis or summary description. In arriving at its opinion, Morgan Stanley considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor that it considered. Morgan Stanley believes that selecting any portion of its analyses, without considering all of the analyses as a whole, would create an incomplete view of the process underlying its analyses and opinion. In addition, Morgan Stanley may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular analysis described above should not be taken to be Morgan Stanley s view of the actual value of EMC or VMware. In performing its analyses, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, regulatory, economic, market and financial conditions and other matters that are beyond the control of EMC or VMware. These include, among other things, the impact of competition on the businesses of EMC, VMware and the industry generally, industry growth, and the absence of any material adverse change in the financial condition and prospects of EMC, VMware and the industry, and in financial markets in general. Any estimates contained in Morgan Stanley s analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates.

Morgan Stanley conducted the analyses described above solely as part of its analysis of the fairness from a financial point of view of the merger consideration to be received by the holders of EMC common stock pursuant to the merger agreement and in connection with the delivery of its opinion, dated October 11, 2015, to the EMC board. These analyses do not purport to be appraisals or to reflect the prices at which shares of EMC common stock or VMware common stock might actually trade.

The merger consideration to be received by the holders of EMC common stock pursuant to the merger agreement was determined by EMC and Denali through arm s length negotiations between EMC and Denali and was approved by the EMC board. Morgan Stanley acted as financial advisor to the EMC board during these negotiations but did not recommend any specific consideration to EMC or the EMC board or opine that any specific amount or form of consideration constituted the only appropriate amount or form of consideration for the merger. Morgan Stanley s opinion and its presentation to the EMC board was one of many factors taken into consideration by the EMC board in deciding to approve and adopt the merger agreement. Consequently, the analyses described above should not be viewed as determinative of the opinion of the EMC board with respect to the consideration to be received by the holders of EMC common stock pursuant to the merger agreement or of whether the EMC board would have been willing to agree to a different form or amount of consideration.

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Morgan Stanley s opinion was for the information of the EMC board and may not be used for any other purpose without Morgan Stanley s prior written consent, except that a copy of the opinion may be included in this proxy statement/prospectus. In addition, Morgan Stanley did not express an opinion as to the price at which the Class V Common Stock will trade following consummation of the merger or at any time and Morgan Stanley expressed no opinion or recommendation as to how the shareholders of EMC should vote at the shareholders meeting to be held in connection with the merger or as to any other action a shareholder should take relating to the merger.

During the term of its engagement, Morgan Stanley is restricted from providing or arranging financing specifically in connection with the merger, without the prior consent of EMC.

Under the terms of its engagement letter, Morgan Stanley provided the EMC board with financial advisory services and a financial opinion in connection with the merger, described in this section and attached to this proxy statement/prospectus as *Annex F*, and EMC has agreed to pay Morgan Stanley a fee for its services in an amount estimated, as of the date of Morgan Stanley s written opinion, to be approximately $68 million, which is contingent upon the completion of the merger. EMC has also agreed to reimburse Morgan Stanley for certain of its expenses incurred in performing its services, including fees and expenses of outside counsel to Morgan Stanley. In addition, EMC has agreed to indemnify Morgan Stanley and its affiliates, their respective directors, officers, agents and employees and each person, if any, controlling Morgan Stanley or any of its affiliates against certain liabilities and expenses arising out of or in connection with Morgan Stanley s engagement. In the two years prior to October 11, 2015 (the date of the rendering of the fairness opinion), Morgan Stanley and its affiliates have provided financing services for EMC and Denali and have received aggregate fees of approximately less than $100,000 and approximately $20 million, respectively, in connection with such services. In the two years prior to October 11, 2015, Morgan Stanley and its affiliates have provided financial advisory and/or financing services for Silver Lake Partners and certain of its affiliates (including certain majority-controlled portfolio companies of Silver Lake Partners), and have received aggregate fees of approximately $12 million in connection with such services. During the same two year period Morgan Stanley and its affiliates have not provided financial advisory or financing services to VMware for which Morgan Stanley or its affiliates have received fees. Morgan Stanley may also seek to provide financial advisory and financing services to EMC, VMware, Denali and certain affiliates of Denali in the future and would expect to receive fees for the rendering of these services. In addition, a director of EMC is also a member of the Morgan Stanley board of directors and qualifies as an independent director under Morgan Stanley s corporate governance policies.

Morgan Stanley is a global financial services firm engaged in the securities, investment management and individual wealth management businesses. Its securities business is engaged in securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trading, prime brokerage, as well as providing investment banking, financing and financial advisory services. Morgan Stanley, its affiliates, directors and officers may at any time invest on a principal basis or manage funds that invest, hold long or short positions, finance positions, and may trade or otherwise structure and effect transactions, for their own account or the accounts of its customers, in debt or equity securities or loans of EMC, VMware, Denali or any other company, or any currency or commodity, that may be involved in the merger, or any related derivative instrument. In addition, Morgan Stanley, its affiliates, directors or officers, including individuals working with EMC in connection with the merger, may have committed and may commit in the future to invest in investment funds managed by affiliates of Morgan Stanley that in the ordinary course may hold direct equity and/or partnership interests in private equity funds managed by affiliates of Denali.

Opinion of Evercore

Pursuant to an engagement letter dated October 9, 2015, EMC has retained Evercore to act as its financial advisor in connection with the merger. As part of this engagement, EMC requested that Evercore evaluate the fairness, from a financial point of view, of the merger consideration to be received by the holders of EMC common stock that are entitled to receive such consideration in the merger. At a meeting of the board of directors of EMC held to evaluate the merger on October 11, 2015, Evercore rendered its oral opinion to the board of

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directors of EMC, subsequently confirmed by delivery of a written opinion, that, as of October 11, 2015, and based upon and subject to the factors, procedures, assumptions, qualifications, limitations and other matters set forth in its written opinion, the merger consideration to be received by the holders of EMC common stock that are entitled to receive such consideration in the merger is fair, from a financial point of view, to such holders of EMC common stock.

The full text of Evercore s written opinion, dated October 11, 2015, which sets forth, among other things, the factors considered, procedures followed, assumptions made and qualifications and limitations on the scope of review undertaken by Evercore in rendering its opinion, is attached as *Annex G* to this proxy statement/prospectus and is incorporated herein by reference. You are urged to read the opinion carefully and in its entirety. Evercore s opinion was addressed to, and provided for the information and benefit of, the Board in connection with its evaluation of whether the consideration to be received by the holders of the EMC common stock was fair, from a financial point of view, to the holders of the EMC common stock entitled to receive such consideration and did not address any other aspects or implications of the merger. Evercore s opinion does not constitute a recommendation to the board of directors of EMC or to any other persons in respect of the merger, including as to how any holder of EMC common stock should vote or act in respect of the merger.

In connection with its engagement, Evercore was not authorized to, and did not, solicit indications of interest from third parties regarding a potential transaction with EMC, and its opinion did not address the relative merits of the merger as compared to any other transaction or business strategy in which EMC might engage or the merits of the underlying decision by EMC to engage in the merger.

In connection with rendering its opinion, Evercore, among other things:

- reviewed certain publicly available business and financial information relating to EMC and VMware that Evercore deemed to be relevant, including publicly available research analysts estimates;

- reviewed certain non-public historical financial statements and other non-public historical financial and operating data relating to EMC and VMware prepared and furnished to Evercore by management of EMC;

- reviewed certain non-public projected financial data relating to EMC under alternative business assumptions and certain non-public projected financial data relating to EMC, EMC (excluding VMware) and VMware on a stand-alone basis, each prepared and furnished to Evercore by management of EMC;

- reviewed certain non-public historical and projected operating data relating to EMC prepared and furnished to Evercore by management of EMC;

- discussed the past and current operations, financial projections and current financial condition of EMC with management of EMC (including management s views on the risks and uncertainties of achieving such projections);

reviewed the reported prices and the historical trading activity of EMC common stock and VMware Class A common stock;

reviewed certain publicly available information relating to financial performance of publicly traded tracking stock of other companies;

compared the financial performance of EMC and its stock market trading multiples with those of certain other publicly traded companies that Evercore deemed relevant;

reviewed a draft of the merger agreement, dated October 11, 2015, including a draft of the Denali certificate included as Exhibit C thereto and received on the same date, which Evercore assumed were in substantially final form and from which Evercore assumed the final form would not vary in any respect material to Evercore s analysis;

- reviewed Denali s proposed sources and uses of funds in connection with the transactions contemplated by the merger agreement; and

- performed such other analyses and examinations and considered such other factors that Evercore deemed appropriate.

For purposes of its analysis and opinion, Evercore assumed and relied upon, without undertaking any independent verification of, the accuracy and completeness of all of the information publicly available, and all of the information supplied or otherwise made available to, discussed with, or reviewed by Evercore, and Evercore assumes no liability therefor.

With respect to the projected financial data relating to EMC and VMware referred to above, Evercore assumed that they were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of management of EMC as to the future financial performance of EMC and VMware, respectively, under the alternative business assumptions reflected therein. Evercore expressed no view as to any projected financial data relating to EMC or VMware, or the assumptions on which they are based. Evercore further assumed that (i) Denali and its subsidiaries will be solvent immediately after giving effect to the transactions contemplated by the merger agreement and (ii) neither Denali nor any of its subsidiaries will incur any material tax obligation as a result of the consummation of the transactions contemplated by the merger agreement. Evercore also assumed that the merger, together with the related transactions contemplated by the merger agreement, will qualify as an exchange within the meaning of Section 351 of the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

For purposes of rendering its opinion, Evercore assumed, in all respects material to its analysis, that the representations and warranties of each party contained in the merger agreement are true and correct, that each party will perform all of the covenants and agreements required to be performed by it under the merger agreement and that all conditions to the consummation of the merger will be satisfied without material waiver or modification thereof. Evercore further assumed that all governmental, regulatory or other consents, approvals or releases necessary for the consummation of the merger will be obtained without any material delay, limitation, restriction or condition that would have an adverse effect on EMC or the consummation of the merger or materially reduce the benefits to the holders of EMC common stock of the merger.

Evercore did not make nor assume any responsibility for making any independent valuation or appraisal of the assets or liabilities of EMC, nor was it furnished with any such appraisals, nor did it evaluate the solvency or fair value of EMC under any state or federal laws relating to bankruptcy, insolvency or similar matters. Evercore s opinion was necessarily based upon information made available to it as of the date of its opinion and financial, economic, market and other conditions as they existed and as could be evaluated on the date of its opinion. It should be understood that subsequent developments may affect Evercore s opinion and that Evercore does not have any obligation to update, revise or reaffirm its opinion.

Evercore was not asked to pass upon, and expressed no opinion with respect to, any matter other than the fairness of the merger consideration, from a financial point of view, to the holders of EMC common stock entitled to receive such consideration pursuant to the merger agreement. Evercore did not express any view on, and its opinion did not address, the fairness of the merger to, or any consideration received in connection therewith by, the holders of any other securities, creditors or other constituencies of EMC, nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of EMC, or any class of such persons, whether relative to the merger consideration or otherwise. Evercore assumed that any modification to the structure of the transaction will not vary in any respect material to its analysis. Evercore did not express any view on, and its opinion did not address, any other terms or other aspects of the merger, including, without limitation, the form or structure of the merger and related transactions, the terms and conditions of the transaction documents or any other agreements or arrangements entered into or contemplated in connection with the transaction. Evercore s opinion did not address the relative merits of the merger as compared to other business or financial strategies that might be available to EMC, nor did it address the underlying business decision of EMC to engage in the merger. Evercore did not express any opinion as to the price at which the common shares of Denali, the shares of the Class V Common Stock or shares of VMware Class A common stock will trade at any time. Evercore is not a legal, regulatory, accounting or tax expert and assumed the accuracy and completeness of assessments by EMC and its advisors with respect to legal, regulatory, accounting and tax matters.

Except as described above, the Board imposed no other instruction or limitation on Evercore with respect to the investigations made or the procedures followed by Evercore in rendering its opinion. Evercore s opinion was only one of many factors considered by the Board in its evaluation of the merger and should not be viewed as determinative of the views of the Board with respect to the merger or the consideration payable in the merger.

Summary of Financial Analyses

The following is a summary of the material financial analyses reviewed by Evercore with the board of directors of EMC on October 11, 2015 in connection with rendering Evercore s opinion. The following summary, however, does not purport to be a complete description of the analyses performed by Evercore. The order of the analyses described and the results of these analyses do not represent relative importance or weight given to these analyses by Evercore. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data that existed on or before October 7, 2015 (the last trading date prior to press reports that Denali and EMC were engaged in discussions regarding a possible transaction), and is not necessarily indicative of current market conditions.

The following summary of financial analyses includes information presented in tabular format. These tables must be read together with the text of each summary in order to understand fully the financial analyses performed by Evercore. The tables alone do not constitute a complete description of the financial analyses performed by Evercore. Considering the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Evercore s financial analyses.

In conducting certain of its analyses, Evercore received from EMC s management and used financial projections for EMC included in a base case plan, which we refer to as the July Case. EMC s management also directed Evercore to adjust the financial projections included in the July Case to reflect $5.0 billion of additional borrowing at a 5.0% interest rate used to refinance $2.0 billion of EMC s short-term debt and to repurchase $3.0 billion of EMC common stock at the end of 2015 at a 5% premium to the unaffected share price of EMC common stock, which adjusted July Case we refer to as the 2.x Plan, and to use the 2.x Plan in conducting certain of its analyses (EMC management s 2.x Plan also contemplated the issuance of tracking stock representing a 40% economic interest in VMware, which did not affect the projections used by Evercore). Evercore also received from EMC s management and used in conducting certain of its analyses separate projections for each of EMC (excluding VMware) (EMC Core) and VMware on a standalone basis. In the case of EMC Core, these projections reflect the assumptions contemplated by the July Case and EMC management also directed Evercore to adjust the projections to reflect the assumptions contemplated by the 2.x Plan and to use these adjusted projections in certain of its analyses. In the case of VMware, the projections provided by EMC management reflected the assumptions contemplated by the July Case only. The financial projections received by Evercore from EMC s management with respect to VMware on a standalone basis were not affected by the difference in assumptions contemplated by the July Case and the 2.x Plan. For further information regarding certain of these financial projections, see *Certain Financial Projections Related to EMC.*

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Consolidated Analyses

Trading Multiples Analysis

In performing a trading multiples analysis of EMC, Evercore reviewed publicly available financial and market information for EMC and the selected public companies listed in the table below (the Selected Public Companies), which Evercore deemed most relevant to consider in relation to EMC, based on its professional judgment and experience, because they are public companies with operations that for purposes of this analysis Evercore considered similar to the operations of one or more of the business lines of EMC.

Evercore reviewed, among other things, total enterprise values (TEV) of each Selected Public Company as a multiple of estimated earnings before interest, taxes, depreciation and amortization (EBITDA) for calendar year 2016, and the per share closing price (the Price) of each Selected Public Company as on October 7, 2015 as a multiple of the estimated earnings per share (EPS) for calendar year 2016 of such Selected Public Company. TEV was calculated for purposes of this analysis as equity value (based on the Price of each Selected Public Company on October 7, 2015 multiplied by the estimated fully diluted number of such company s outstanding equity securities on such date based on the treasury stock method), plus debt and preferred stock, plus minority interest, less cash and cash equivalents (in the case of debt, minority interest, cash and cash equivalents, as set forth on the most recent publicly available balance sheet of such company and, in the case of minority interest, where applicable). The financial data of the Selected Public Companies used by Evercore for this analysis were based on publicly available research analysts estimates and in the case of EMC, on the financial projections in the July Case provided to Evercore by EMC s management. The TEV/EBITDA multiple and Price/EPS multiple for each of the Selected Public Companies is set forth in the table below.

Selected Public Company	**TEV/EBITDA (2016E)**	**Price/EPS (2016E)**
NetApp, Inc. (NetApp)	5.3x	12.2x
Hewlett-Packard Company (HP)	4.7x	7.5x
International Business Machines Corporation (IBM)	7.8x	9.3x
Cisco Systems, Inc. (Cisco)	6.4x	11.7x
Citrix Systems, Inc. (Citrix)	10.2x	17.8x
SAP SE (SAP)	10.6x	15.0x
Microsoft Corporation (MSFT)	8.9x	16.3x
Oracle Corporation (Oracle)	7.9x	13.6x
Intel Corporation (Intel)	6.2x	14.0x
Median	*7.8x*	*13.6x*
Reference:		
EMC Corporation	7.2x	12.8x
S&P 500 Index (S&P 500)	9.5x	15.5x
S&P 500 Information Technology Sector Index (S&P 500-Tech)	8.9x	15.4x

Evercore then applied a reference range of EBITDA multiples of 6.0x to 8.0x and a reference range of Price/EPS multiples of 12.0x to 14.0x, derived by Evercore based on its review of the Selected Public Companies and its experience and professional judgment, to the estimated 2016 EBITDA for EMC and the estimated 2016 EPS for EMC (in each case, as included in the July Case). This analysis indicated an implied equity value per share reference range for EMC of approximately $21.52-$28.91 based on the TEV/EBITDA multiples and $24.40-$28.46 based on the Price/EPS multiples.

Evercore compared the results of this analysis to the approximate implied merger consideration of $33.15 per share, which was calculated by Evercore based on the offer of $24.05 cash and approximately $9.10 in Class V Common Stock, noting that such consideration is above each of the implied valuation ranges.

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Present Value of Future Stock Price Analysis

Evercore calculated illustrative future stock prices for EMC s common stock on December 31, 2017 by applying a range of forward Price/EPS multiples of 12.0x to 14.0x to estimated EPS of EMC for fiscal year 2018. Evercore used the projected EPS for the Company for fiscal year 2018 included in the July Case provided to Evercore by the Company s management. The forward Price/EPS multiples were based on the multiple ranges used in the Trading Multiples Analysis described above.

The illustrative stock prices for EMC s common stock on December 31, 2017 were then discounted back to September 30, 2015, using an equity cost of capital range of 8.50% to 10.00%. This range was determined based on Evercore s professional judgment and experience and derived using the capital asset pricing model, taking into account a risk-free rate of return based on the 20-year U.S. Treasury rate as of October 7, 2015 and equity risk premia and a size discount, each in accordance with the 2015 Ibbotson SBBI Market Report, and considering the capital structure, betas and other relevant information of (i) EMC and (ii) the Selected Public Companies. Evercore s analysis also considered estimated dividends for fiscal years 2015 (fourth quarter only), 2016 and 2017 of $0.12, $0.47 and $0.50, respectively, based on management guidance and discounted back to September 30, 2015, using the same equity cost of capital range described above, which was added to the total. Based on this analysis, Evercore derived a range of implied equity values per share for EMC of $25.27-$30.23.

Evercore compared the results of this analysis to the approximate implied merger consideration of $33.15 per share, which was calculated by Evercore based on the offer of $24.05 cash and approximately $9.10 in Class V Common Stock, noting that the consideration is above the implied valuation range.

Premiums Paid Analysis

Evercore reviewed the premiums paid for (i) all closed transactions from January 1, 2004 through October 2, 2015 with target enterprise values greater than $10.0 billion (global transactions), of which there were 163, (ii) global transactions with cash consideration only (cash transactions) from January 1, 2004 through October 2, 2015, of which there were 70, (iii) global transactions involving strategic buyers (strategic transactions), from January 1, 2004 through October 2, 2015, of which there were 138 and (iv) global transactions involving financial sponsor buyers (sponsor transactions) from January 1, 2004 through October 2, 2015, of which there were 25, in each case excluding transactions with banks, REITs and other financial services target companies. Using information from Securities Data Corp. and FactSet Research Systems, Inc., premiums

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paid were calculated as the percentage by which the per share consideration paid in each such transaction exceeded the closing price per share of the target companies one week and four weeks prior to transaction announcements. The results of this analysis are provided in the table below:

	1 Week Prior (%)	4 Weeks Prior (%)
Global Transactions		
High	355.8	342.7
75th Percentile	43.0	45.1
25th Percentile	18.7	21.3
Low	2.6	3.3
Mean	34.6	36.9
Median	29.7	32.1
Cash Transactions		
High	123.6	118.7
75th Percentile	46.6	51.8
25th Percentile	24.4	26.2
Low	2.6	6.3
Mean	37.3	41.3
Median	32.3	35.4
Strategic Transactions		
High	355.8	342.7
75th Percentile	43.6	48.0
25th Percentile	20.4	20.7
Low	2.6	3.3
Mean	36.0	37.8
Median	30.4	33.1
Sponsor Transactions		
High	62.2	84.1
75th Percentile	33.3	37.2
25th Percentile	14.8	21.9
Low	8.7	11.7
Mean	26.7	32.2
Median	23.9	28.4

Based on the above analysis and Evercore s professional judgment and experience, Evercore then applied a range of premiums derived from the selected transactions of: (1) 25.00% to 35.00% to the $24.16 closing price per share of EMC on September 30, 2015 (the date one week prior to the last trading date prior to press reports that Denali and EMC were engaged in discussions regarding a possible transaction) and (2) 25.0% to 35.0% to the $23.91 closing price per share on September 9, 2015 (the date four weeks prior to the last trading date prior to press reports that Denali and EMC were engaged in discussions regarding a possible transaction). Based on this analysis, Evercore derived the following ranges of implied equity values per share for EMC:

Implied Equity Value Range Per Share

1 Week Prior to October 7, 2015 Closing Price ($24.16)	$ 30.20-$32.62

4 Weeks Prior to October 7, 2015 Closing Price ($23.91)	$ 29.89-$32.28

Evercore compared the results of this analysis to the approximate implied merger consideration of $33.15 per share, which was calculated by Evercore based on the offer of $24.05 cash and approximately $9.10 in Class V Common Stock, noting that the consideration is above each of the implied valuation ranges.

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Sum of the Parts Analyses

In addition to its analyses of EMC and its subsidiaries (including VMware) on a consolidated basis, Evercore conducted financial analyses on a sum-of-the-parts basis by analyzing each of EMC Core and VMware on a standalone basis and then, reflecting EMC s ownership interest in VMware, combining the results of these analyses.

Trading Multiples Analysis

In performing a trading multiples analysis of EMC on a sum-of-the-parts basis, Evercore reviewed publicly available financial and market information for EMC Core and VMware with respect to the selected public companies listed in the table below, divided into two groups: (1) companies Evercore deemed most relevant to consider in relation to EMC Core (EMC Core Selected Public Companies) and (2) companies Evercore deemed most relevant to consider in relation to VMware (VMware Selected Public Companies), in each case, based on its professional judgment and experience, because they are public companies with operations that for purposes of this analysis Evercore considered similar to the operations of EMC Core and VMware, respectively.

Evercore reviewed, among other things, Price/EPS and TEV/EBITDA multiples for calendar year 2016 of each EMC Core Selected Public Company, each VMware Selected Public Company, EMC Core and VMware. The financial data of the EMC Core Selected Public Companies and the VMware Selected Public Companies used by Evercore for this analysis were based on publicly available research analysts estimates, and, in the case of EMC Core and VMware, on the financial projections included in the July Case. For purposes of arriving at a reference Price/EPS multiple for EMC Core, Evercore determined Price for EMC Core by deducting the market equity value of EMC s ownership interest in VMware from the market value of EMC and then dividing the result by the estimated number of fully diluted shares of EMC common stock outstanding based on the treasury stock method. Market value for EMC was calculated by multiplying the per share closing price of EMC as on October 7, 2015 by the estimated number of fully diluted shares of EMC common stock outstanding based on the treasury stock method. Market equity value for VMware was calculated by multiplying the per share closing price of VMware as of October 7, 2015 by the estimated number of fully diluted shares of VMware common stock outstanding based on the treasury stock method. The Price/EPS and TEV/EBITDA multiples for each of the EMC Core Selected Public Companies and each of the VMware Selected Public Companies are set forth in the table below.

Selected Public Company	TEV/EBITDA	Price/EPS
EMC Core		
NetApp	5.3x	12.2x
HP	4.7x	7.5x
IBM	7.8x	9.3x
Oracle	7.9x	13.6x
Cisco	6.4x	11.7x
Reference:		
EMC Core	4.8x	9.6x
S&P 500	9.5x	15.5x
S&P 500-Tech	8.9x	15.4x
VMware		
Citrix	10.2x	17.8x
MSFT	8.9x	16.3x

Oracle	7.9x	13.6x
Red Hat, Inc.	19.6x	34.8x
Akamai Technologies, Inc.	12.2x	25.8x
Reference:		
VMware	11.8x	19.0x
S&P 500	9.5x	15.5x
S&P 500-Tech	8.9x	15.4x

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Evercore then applied a reference range of Price/EPS multiples of 11.0x-13.0x for EMC Core and 18.0x-20.0x for VMware, each derived by Evercore based on its review of the EMC Core Selected Public Companies and the VMware Selected Public Companies listed above, and its experience and professional judgment, to the estimated fiscal year 2016 net income for EMC Core and VMware, respectively, under both the July Case and the 2.x Plan. This analysis resulted in implied equity values for EMC Core and VMware, which when added together and divided by the estimated number of fully diluted shares of EMC common stock outstanding based on the treasury stock method and reflecting EMC s ownership of VMware, indicated implied equity value per share reference ranges for EMC on a sum-of-the parts basis as set forth in the table below. Estimated net income and the fully diluted number of shares of EMC common stock were as included in the July Case and the 2.x Plan provided to Evercore by EMC s management. For purposes of Evercore s analysis under the 2.x Plan, the estimated fiscal year 2016 net income with respect to EMC Core used in the calculation was adjusted in accordance with management guidance to reflect the effects of the 2.x Plan.

	FY2016E Net Income (in millions)	Equity Value Range (in millions)	Implied Equity Value Range Per Share
July Case			
EMC Core	$ 2,407	$ 26,482-$31,297	
VMware	$ 1,892	$ 34,057-$37,841	
Implied Value of EMC s Interest in VMware		$ 26,739-$29,690	
Implied Equity Value of EMC		$ 53,220-$60,987	$ 26.47-$30.31*
2.x Plan			0
EMC Core	$ 2,255	$ 24,801-$29,310	
VMware	$ 1,892	$ 34,057-$37,841	
Implied Value of EMC s Interest in VMware		$ 26,739-$29,690	
Implied Equity Value of EMC		$ 51,539-$59,000	$ 27.12-$31.02**

* Based on estimated fully diluted shares outstanding of 2,010.2 2,012.1 million.

** Based on estimated fully diluted shares outstanding of 1,900.5 1,902.3 million.

Evercore compared the results of this analysis to the approximate implied merger consideration of $33.15 per share, which was calculated by Evercore based on the offer of $24.05 cash and approximately $9.10 in Class V Common Stock, noting that the consideration is above each of the implied valuation ranges.

Discounted Cash Flow Analysis

Evercore performed a discounted cash flow analysis of EMC Core and VMware, which calculates the present value of a company s future unlevered, after-tax free cash flow based on assumptions with respect to such cash flow and assumed discount rates, in order to derive implied equity per share reference ranges for the Common Stock on a sum-of-the-parts basis as of September 30, 2015 based upon each of the July Case and the 2.x Plan. Evercore calculated the projected after-tax unlevered free cash flows (which Evercore calculated for purposes of its analysis as

EBITDA, less stock-based compensation, applicable taxes, capital expenditures and acquisitions, and adjusted for changes in working capital and certain other items, in each case, based on guidance from EMC management) of EMC Core and VMware for fiscal years 2015 (fourth quarter only) through 2020 and determined a terminal value for EMC at the end of fiscal year 2020 by applying a range of EBITDA multiples of 5.00x to 6.50x for EMC Core and 9.50x-11.50x for VMware (which was based on its review of the EMC Core Selected Public Companies and the VMware Selected Public Companies described above and its experience and professional judgment). Evercore then discounted to present value (utilizing a mid-year discounting convention and discounting back to September 30, 2015) the unlevered free cash flows of EMC Core and VMware and the terminal value for each, in each case using discount rates ranging from 7.50% to 9.00%, which were chosen by Evercore based on its professional judgment and experience to reflect the estimated weighted average cost of capital for EMC Core and VMware implied by Evercore s analysis of their respective estimated cost of equity and estimated after-tax cost of debt. Estimated cost of equity was determined based on Evercore s professional judgment and experience and derived using the capital asset pricing model, taking into account a risk-free rate of return based on the 20-year U.S. Treasury Note as of October 7, 2015 and equity risk premia and, in the case of VMware, a size discount, each in accordance with the 2015 Ibbotson SBBI Market Report, and considering the respective capital structures, betas and other relevant information of (x) EMC Core and VMware, and (y) the EMC Core Selected Public Companies and VMware Selected Public Companies. Estimated after-tax cost of debt was also determined based on Evercore s professional judgment and experience considering, among other things, available market information and a tax rate for each of EMC Core and VMware calculated from information provided to Evercore by EMC s management. Evercore also performed its discounted cash flow analysis on the alternative assumption that stock-based compensation, which we refer to as SBC, is not treated as an expense of EMC. Evercore observed that, in its judgment, the analyses conducted on that assumption were a less relevant valuation methodology because SBC represents a cost of running the business not otherwise taken into account in the analyses. Evercore provided these analyses to the Board for informational purposes only. Using this analysis, Evercore derived the following range of implied equity values per share for EMC:

Implied Equity Value Range Per Share

Expensing SBC	
July Case:	
EMC Core	$ 15.72-$19.75
VMware	$ 12.08-$14.32
EMC (EMC Core + VMware)	$ 27.80-$34.07
2.x Plan	
EMC Core	$ 15.05-$19.31
VMware	$ 12.78-$15.15
EMC (EMC Core + VMware)	$ 27.84-$34.47
Not expensing SBC	
July Case	
EMC Core	$ 17.91-$22.44
VMware	$ 14.90-$17.76
EMC (EMC Core + VMware)	$ 32.81-$40.20
2.x Plan	
EMC Core	$ 17.36-$22.16
VMware	$ 15.76-$18.78
EMC (EMC Core + VMware)	$ 33.13-$40.94

Evercore compared the results of this analysis to the approximate implied merger consideration of $33.15 per share, which was calculated by Evercore based on the offer of $24.05 cash and approximately $9.10 in Class V Common Stock, noting that the consideration was within each of the implied valuation ranges for scenarios where SBC was treated as an expense of EMC. Evercore also observed that the approximate implied value of the merger consideration was within each of the implied valuation ranges where SBC was not treated as an expense of EMC, although Evercore viewed these results as less relevant to its analysis.

Class V Common Stock Discount

Evercore reviewed and discussed with the Board publicly available financial and market information regarding tracking stocks that are currently publicly traded, including Liberty Interactive s tracking stock with respect to each of QVC (QVCA/QVCB) and Liberty Ventures (LVNTA/LVNTB), Liberty Global s tracking stock with respect to LiLAC (LILA/LILAB/LILAK) and Fidelity National Financial s tracking stock with respect to Fidelity National Financial Ventures (FNFV), and certain other tracking stocks that were previously publicly traded. In addition, Evercore reviewed and discussed with the Board academic research and analyst commentary with respect to the performance of tracking stock. Evercore was not able to identify any current or historical example of a publicly traded tracking stock that tracks a business or company that itself has publicly traded stock (other than the proposed Class V Common Stock), and observed that there have been relatively few current and historical tracking stocks of any kind. Evercore observed that tracking stocks often trade at a discount to the estimated value of the assets or business being tracked and noted that the amount of that discount is subject to numerous variables and uncertainties. In connection with its review, Evercore noted that the complexity of the tracking stock structure and the implicit exposure to the credit profile of Denali suggested that the Class V Common Stock may be valued at a discount to the VMware Class A common stock. Evercore also took into account certain countervailing factors, including the fact that the Class V Common Stock was intended to track a company with publicly traded stock with a market-determined price, the potential positive effect of certain expected revenue synergies arising from the merger on the value of VMware that were not reflected in the unaffected price of the VMware Class A common stock, the liquidity of the Class V Common Stock and Denali s indication that following the completion of the merger it intended to consider opportunities to repurchase shares of Class V Common Stock from time to time. Based on this review, the analysis described above, and Evercore s experience and professional judgment, Evercore considered that a 0-10% discount from the unaffected price of the VMware Class A common stock on October 7, 2015 would be an appropriate illustrative discount range for the Board to consider. Evercore conducted sensitivities assuming for illustrative purposes a discount within a range of 0-10%. Assuming a 10% trading discount to the value of the VMware Class A common stock on October 7, 2015 (the last trading date prior to press reports that Denali and EMC were engaged in discussions regarding a possible transaction), Evercore observed that the aggregate value of the merger consideration would be $32.24 per share (including $24.05 per share in cash and approximately $8.19 per share in Class V Common Stock). Evercore observed that taking this potential sensitivity into account, the merger consideration would continue to be within or to exceed the implied valuation ranges for each of its analyses other than its sum of the parts discounted cash flow analyses where SBC was not treated as an expense of EMC, which as noted above, Evercore viewed as less relevant to its analysis.

Other Factors

Evercore also reviewed and considered other factors, which were not considered part of its financial analyses in connection with rendering its advice, but were referenced for informational purposes, including, among other things, the analysts price targets and 52-week trading range analyses described below.

Historical Trading Range Analysis

Evercore reviewed, for reference and informational purposes only, the public trading prices for the EMC common stock for the 52 weeks ended on October 7, 2015 (the last trading date prior to press reports that Denali and EMC were engaged in discussions regarding a possible transaction). Evercore noted that during this time period, the closing trading price of the EMC common stock ranged from a low of $22.67 to a high of $30.89.

Analyst Price Target Analysis

Evercore reviewed publicly available share price targets of research analysts estimates known to Evercore as of October 7, 2015, noting that low and high price share targets ranged from $25.00 to $35.00. The price targets published by the equity research analysts do not necessarily reflect current market trading prices for the EMC common stock and these price targets are subject to numerous uncertainties, including the future financial performance of EMC and market conditions.

During the term of its engagement letter, Evercore is restricted from arranging or providing financing in connection with the merger (other than financing arranged or provided to EMC, which is not contemplated).

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General

In connection with the review of the merger by the Board, Evercore performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary described above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Evercore s opinion. In arriving at its fairness determination, Evercore considered the results of all the analyses and did not draw, in isolation, conclusions from or with regard to any one analysis or factor considered by it for purposes of its opinion. Rather, Evercore made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all the analyses. In addition, Evercore may have considered various assumptions more or less probable than other assumptions, so that the range of valuations resulting from any particular analysis described above should therefore not be taken to be Evercore s view of the value of EMC. No company used in the above analyses as a comparison is directly comparable to EMC, and no transaction used is directly comparable to the merger. Further, Evercore s analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies or transactions used, including judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of EMC or its advisors.

Evercore prepared these analyses solely for the purpose of providing an opinion to the Board as to the fairness, from a financial point of view, of the merger consideration to be received by holders of shares of the EMC common stock entitled to receive such consideration pursuant to the merger agreement. These analyses do not purport to be appraisals of EMC or to necessarily reflect the prices at which EMC or its securities actually may be sold. Any estimates contained in these analyses are not necessarily indicative of actual future results, which may be significantly more or less favorable than those suggested by such estimates. Accordingly, estimates used in, and the results derived from, Evercore s analyses are inherently subject to substantial uncertainty, and Evercore assumes no responsibility if future results are materially different from those forecasted in such estimates. The issuance of the fairness opinion was approved by an opinion committee of Evercore.

Under the terms of Evercore s engagement, Evercore provided the Board with financial advisory services and delivered a fairness opinion in connection with the merger. Pursuant to the terms of its engagement letter, EMC has agreed to pay Evercore fees for its services in connection with its engagement, including an opinion fee of $5,000,000 and an additional fee of $5,000,000 in the event the merger or another transaction consisting of the sale of all or substantially all of the assets or the voting securities of EMC is consummated. Evercore earned the opinion fee of $5,000,000 upon delivery of its fairness opinion to the Board on October 11, 2015. In addition, EMC has agreed to reimburse Evercore for its reasonable out-of-pocket expenses (including reasonable legal fees, expenses and disbursements) incurred in connection with its engagement and to indemnify Evercore and any of its members, partners, officers, directors, advisors, representatives, employees, agents, affiliates or controlling persons, if any, against certain liabilities and expenses arising out of its engagement and any related transaction.

Other than as described above and in this paragraph, since October 11, 2013, Evercore and its affiliates have not provided financial advisory services to EMC or its affiliates. Since October 11, 2013, the only material relationships that existed between Evercore or its affiliates and Denali or its affiliates pursuant to which compensation was received by Evercore or its affiliates as a result of such relationships were the representation of the Special Committee of the Board of Directors of Dell Inc. in relation to its acquisition by a consortium of investors and the performance by Evercore and its affiliates of services for certain portfolio companies of funds managed by Silver Lake Partners, which also manages funds that are investors in Denali. Since October 11, 2013, Evercore has earned compensation for financial advisory services provided to Denali and its affiliates (other than portfolio companies of funds managed by

Silver Lake Partners) of approximately $7.816 million and compensation for services to companies in which funds managed by Silver Lake Partners had an interest of approximately $14.143 million. Evercore or its affiliates may provide financial or other services to Denali, EMC or their respective affiliates in the future and in connection with any such services Evercore and its affiliates may

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receive compensation. In the ordinary course of business, Evercore and its affiliates may actively trade the securities, or related derivative securities, or financial instruments of EMC, VMware, Denali and their respective affiliates, for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities or instruments.

The Board engaged Evercore to act as a financial advisor based on its qualifications, experience and reputation. Evercore is an internationally recognized investment banking firm and is regularly engaged in the valuation of businesses in connection with mergers and acquisitions, leveraged buyouts, competitive biddings, private placements and valuations for corporate and other purposes.

Certain Financial Projections Related to EMC

While EMC has from time to time provided limited full-year financial guidance to investors, which may have covered, among other items, consolidated revenues and non-GAAP earnings per share, EMC s management has not as a matter of course otherwise publicly disclosed forecasts or internal projections as to future performance due to the unpredictability of the underlying assumptions and estimates.

EMC management prepared certain unaudited financial projections regarding EMC s forecasted operating results for fiscal years 2015 through 2020. The unaudited financial projections regarding VMware used by EMC management in these forecasts were based on information prepared by VMware management. The unaudited financial projections were provided to and considered by the EMC board of directors in connection with its evaluation of the proposed transaction with Denali and during its review of potential strategic alternatives. In addition, the unaudited financial projections were provided to EMC s financial advisors, Morgan Stanley and Evercore, and used in connection with the rendering of Morgan Stanley s and Evercore s respective fairness opinions to the board of directors and in performing each of their related financial analyses as described above under *Proposal 1: Approval of the Merger Agreement Opinions of EMC s Financial Advisors.* Certain unaudited projected financial information reflecting immaterial variations from the information summarized below was also provided by EMC management to Denali.

Additionally, at the direction of EMC management, Morgan Stanley prepared financial projections using publicly available consensus estimates for Consolidated EMC and for VMware through 2017 and extrapolating for future years (the Street Forecast). Extrapolation in the Street Forecast assumed a constant dollar growth in revenue and operating income contribution based on consensus estimates for 2016 and 2017. Morgan Stanley also utilized the Street Forecast by subtracting the VMware financial projections from the Consolidated EMC financial projections to derive financial projections for EMC Core. In addition, the Street Forecast figures were used in connection with the rendering of Morgan Stanley s fairness opinions to the EMC board of directors and in performing Morgan Stanley s financial analyses as described above under *Proposal 1: Approval of the Merger Agreement Opinions of EMC s Financial Advisors Opinion of Morgan Stanley*.

The inclusion of any financial projections or assumptions in this proxy statement/prospectus should not be regarded as an indication that EMC or its board of directors (or VMware) considered, or now considers, these projections to be a reliable predictor of future results. You should not place undue reliance on the unaudited financial projections contained in this proxy statement/prospectus. Please read carefully *Important Information About the Unaudited Financial Projections.*

EMC uses a variety of financial measures that are not in accordance with GAAP as supplemental measures to evaluate its operational performance. While EMC believes that these non-GAAP financial measures provide useful supplemental information, there are limitations associated with the use of these non-GAAP financial measures. These non-GAAP financial measures are not reported by all of EMC s competitors and may not be directly comparable to similarly titled measures of such competitors due to potential differences in the exact method of calculation.

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July Case

The following table summarizes the July Case financial projections prepared by EMC management as described above with respect to Consolidated EMC, with non-GAAP net income and non-GAAP EPS including, with respect to VMware, only amounts attributable to EMC s controlling interest in VMware:

(Amounts in millions, except per share numbers)

	Fiscal Year					
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
Non-GAAP Revenue	$ 25,300	$ 26,353	$ 27,705	$ 29,355	$ 31,406	$ 33,704
Non-GAAP Gross Profit	$ 15,745	$ 16,290	$ 17,174	$ 18,386	$ 19,778	$ 21,446
Adjusted EBITDA	$ 6,846	$ 7,473	$ 8,246	$ 8,994	$ 9,891	$ 10,693
Non-GAAP Operating Income	$ 5,239	$ 5,790	$ 6,455	$ 7,074	$ 7,851	$ 8,589
Non-GAAP Net Income	$ 3,671	$ 3,940	$ 4,444	$ 4,889	$ 5,440	$ 5,956
Non-GAAP EPS	$ 1.87	$ 2.03	$ 2.29	$ 2.51	$ 2.78	$ 3.03
Free Cash Flow	$ 4,001	$ 4,253	$ 5,117	$ 5,621	$ 6,383	$ 7,007

The following table summarizes the July Case financial projections prepared by EMC management as described above with respect to EMC Core:

(Amounts in millions, except per share numbers)

	Fiscal Year					
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
Non-GAAP Revenue	$ 18,691	$ 19,084	$ 19,781	$ 20,718	$ 21,905	$ 23,253
Non-GAAP Gross Profit	$ 10,059	$ 10,135	$ 10,489	$ 11,025	$ 11,634	$ 12,434
Adjusted EBITDA	$ 4,528	$ 4,893	$ 5,403	$ 5,860	$ 6,405	$ 6,817
Non-GAAP Operating Income	$ 3,155	$ 3,469	$ 3,893	$ 4,247	$ 4,703	$ 5,085
Non-GAAP Net Income	$ 2,291	$ 2,407	$ 2,743	$ 3,009	$ 3,346	$ 3,625
Non-GAAP EPS	$ 1.17	$ 1.25	$ 1.42	$ 1.55	$ 1.71	$ 1.85
Free Cash Flow	$ 2,625	$ 2,290	$ 3,048	$ 3,337	$ 3,799	$ 4,135

The following table summarizes the July Case financial projections with respect to VMware provided by EMC management based on information prepared by VMware management as described above, with non-GAAP net income representing only that amount attributable to EMC s controlling interest in VMware:

(Amounts in millions)

	Fiscal Year					
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
Non-GAAP Revenue	$ 6,609	$ 7,270	$ 7,924	$ 8,637	$ 9,501	$ 10,451
Non-GAAP Gross Profit	$ 5,686	$ 6,155	$ 6,685	$ 7,361	$ 8,145	$ 9,011
Adjusted EBITDA	$ 2,319	$ 2,580	$ 2,844	$ 3,134	$ 3,486	$ 3,876

Non-GAAP Operating Income	$ 2,084	$ 2,321	$ 2,562	$ 2,827	$ 3,148	$ 3,504
Non-GAAP Net Income	$ 1,380	$ 1,533	$ 1,701	$ 1,880	$ 2,094	$ 2,331
Free Cash Flow	$ 1,376	$ 1,963	$ 2,069	$ 2,284	$ 2,584	$ 2,872

Set forth below is a reconciliation of non-GAAP revenue, non-GAAP gross profit, Adjusted EBITDA, non-GAAP operating income, non-GAAP net income, non-GAAP earnings per share and free cash flow figures

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provided above in the July Case financial projections to the most comparable GAAP financial measures, based on financial information available to, or projected by, EMC for each of Consolidated EMC, EMC Core and VMware:

(Amounts in millions, except per share numbers)

	Consolidated EMC					
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
GAAP Revenue	**$ 25,224**	**$ 26,353**	**$ 27,705**	**$ 29,355**	**$ 31,406**	**$ 33,704**
VMware GSA settlement	76					
Non-GAAP Revenue	**$ 25,300**	**$ 26,353**	**$ 27,705**	**$ 29,355**	**$ 31,406**	**$ 33,704**
GAAP Gross Profit	**$ 15,248**	**$ 15,881**	**$ 16,777**	**$ 17,984**	**$ 19,387**	**$ 21,089**
VMware GSA settlement, litigation and other contingencies, special tax items and other non-recurring expenses	76					
Intangible asset amortization	246	225	204	196	170	120
Stock-based compensation expense	175	184	194	206	220	237
Non-GAAP Gross Profit	**$ 15,745**	**$ 16,290**	**$ 17,174**	**$ 18,386**	**$ 19,778**	**$ 21,446**
GAAP Operating Income	**$ 2,672**	**$ 4,121**	**$ 4,761**	**$ 5,306**	**$ 6,018**	**$ 6,719**
VMware GSA settlement, litigation and other contingencies, special tax items and other non-recurring expenses	80					
Acquisition and other related charges	178	29				
Restructuring charges	788	100	100	100	100	100
Intangible asset amortization	396	349	329	317	274	193
Stock-based compensation expense	1,125	1,190	1,264	1,351	1,458	1,577
Non-GAAP Operating Income	**$ 5,239**	**$ 5,790**	**$ 6,455**	**$ 7,074**	**$ 7,851**	**$ 8,589**
GAAP Net Income attributable to EMC	**$ 1,805**	**$ 2,728**	**$ 3,217**	**$ 3,611**	**$ 4,116**	**$ 4,602**
R&D tax credit	57	57	57	57	57	57
VMware GSA settlement, litigation and other contingencies, special tax items and other non-recurring expenses	60					
Acquisition and other related charges	104	22				
Restructuring charges	597	68	68	68	68	68
Intangible asset amortization	261	233	217	210	183	133
Stock-based compensation expense	788	833	884	943	1,015	1,096
Non-GAAP Net Income attributable to EMC	**$ 3,671**	**$ 3,940**	**$ 4,444**	**$ 4,889**	**$ 5,440**	**$ 5,956**
GAAP Net Income attributable to EMC	**$ 1,805**	**$ 2,728**	**$ 3,217**	**$ 3,611**	**$ 4,116**	**$ 4,602**
Minority interest	184	240	275	310	353	405
GAAP Net Income	**$ 1,989**	**$ 2,967**	**$ 3,492**	**$ 3,921**	**$ 4,469**	**$ 5,007**
Income tax provision	647	992	1,153	1,288	1,462	1,635
Non-operating expense	36	162	116	97	87	77
VMware GSA settlement, litigation and other contingencies, special tax items and other non-recurring expenses	80					

Acquisition and other related charges	178	29				
Restructuring charges	788	100	100	100	100	100
Intangible asset amortization	396	349	329	317	274	193
Stock-based compensation expense	1,125	1,190	1,264	1,351	1,458	1,577
Capitalized software amortization	502	537	589	648	683	650
Depreciation	1,105	1,147	1,202	1,271	1,357	1,454
Adjusted EBITDA	**$ 6,846**	**$ 7,473**	**$ 8,246**	**$ 8,994**	**$ 9,891**	**$ 10,693**
GAAP EPS	**0.92**	**1.41**	**1.66**	**1.85**	**2.10**	**2.34**
R&D tax credit	0.03	0.03	0.03	0.03	0.03	0.03
VMware GSA settlement, litigation and other contingencies, special tax items and other non-recurring expenses	0.03					
Acquisition and other related charges	0.05	0.01				

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	Consolidated EMC					
	2015	2016	2017	2018	2019	2020
Restructuring charges	0.30	0.04	0.04	0.04	0.04	0.03
Intangible asset amortization	0.13	0.12	0.11	0.11	0.09	0.07
Stock-based compensation expense	0.40	0.43	0.46	0.48	0.52	0.56
Non-GAAP EPS	**$ 1.87**	**$ 2.03**	**$ 2.29**	**$ 2.51**	**$ 2.78**	**$ 3.03**
Operating Cash Flow	**$ 5,516**	**$ 5,919**	**$ 6,901**	**$ 7,538**	**$ 8,370**	**$ 9,047**
Capital expenditures	(1,000)	(1,103)	(1,167)	(1,243)	(1,337)	(1,441)
Capitalized software development costs	(515)	(562)	(616)	(675)	(650)	(600)
Free Cash Flow	**$ 4,001**	**$ 4,253**	**$ 5,117**	**$ 5,621**	**$ 6,383**	**$ 7,007**

	EMC Core					
	2015	2016	2017	2018	2019	2020
GAAP Revenue	**$ 18,691**	**$ 19,084**	**$ 19,781**	**$ 20,718**	**$ 21,905**	**$ 23,253**
VMware GSA settlement						
Non-GAAP Revenue	**$ 18,691**	**$ 19,084**	**$ 19,781**	**$ 20,718**	**$ 21,905**	**$ 23,253**
GAAP Gross Profit	**$ 9,803**	**$ 9,887**	**$ 10,250**	**$ 10,778**	**$ 11,388**	**$ 12,191**
VMware GSA settlement, litigation and other contingencies, special tax items and other non-recurring expenses						
Intangible asset amortization	136	126	113	115	105	94
Stock-based compensation expense	120	122	127	133	140	149
Non-GAAP Gross Profit	**$ 10,059**	**$ 10,135**	**$ 10,489**	**$ 11,025**	**$ 11,634**	**$ 12,434**
GAAP Operating Income	**$ 1,507**	**$ 2,567**	**$ 2,998**	**$ 3,322**	**$ 3,761**	**$ 4,130**
VMware GSA settlement, litigation and other contingencies, special tax items and other non-recurring expenses						
Acquisition and other related charges	27	15				
Restructuring charges	767	50	50	50	50	50
Intangible asset amortization	255	225	212	212	191	160
Stock-based compensation expense	599	611	634	664	702	745
Non-GAAP Operating Income	**$ 3,155**	**$ 3,469**	**$ 3,893**	**$ 4,247**	**$ 4,703**	**$ 5,085**
GAAP Net Income attributable to EMC	**$ 1,010**	**$ 1,706**	**$ 2,045**	**$ 2,288**	**$ 2,611**	**$ 2,877**
R&D tax credit	35	35	35	35	35	35
VMware GSA settlement, litigation and other contingencies, special tax items and other non-recurring expenses	13					
Acquisition and other related charges	27	15				
Restructuring charges	582	31	36	36	36	36
Intangible asset amortization	174	157	145	146	132	112
Stock-based compensation expense	450	463	481	504	532	564
Non-GAAP Net Income attributable to EMC	**$ 2,291**	**$ 2,407**	**$ 2,743**	**$ 3,009**	**$ 3,346**	**$ 3,625**
GAAP Net Income attributable to EMC	**$ 1,010**	**$ 1,706**	**$ 2,045**	**$ 2,288**	**$ 2,611**	**$ 2,877**
Minority interest						
GAAP Net Income	**$ 1,010**	**$ 1,706**	**$ 2,045**	**$ 2,288**	**$ 2,611**	**$ 2,877**

Income tax provision	415	649	767	854	970	1,073
Non-operating expense	81	212	185	179	179	179
VMware GSA settlement, litigation and other contingencies, special tax items and other non-recurring expenses						
Acquisition and other related charges	27	15				
Restructuring charges	767	50	50	50	50	50
Intangible asset amortization	255	225	212	212	191	160
Stock-based compensation expense	599	611	634	664	702	745

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	EMC Core					
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
Capitalized software amortization	502	537	589	648	683	650
Depreciation	870	888	921	964	1,019	1,082
Adjusted EBITDA	**$ 4,528**	**$ 4,893**	**$ 5,403**	**$ 5,860**	**$ 6,405**	**$ 6,817**
GAAP EPS	**0.52**	**0.88**	**1.06**	**1.18**	**1.34**	**1.46**
R&D tax credit	0.02	0.02	0.02	0.02	0.02	0.02
VMware GSA settlement, litigation and other contingencies, special tax items and other non-recurring expenses	0.01					
Acquisition and other related charges	0.01	0.01				
Restructuring charges	0.30	0.02	0.02	0.02	0.02	0.02
Intangible asset amortization	0.09	0.08	0.08	0.08	0.07	0.06
Stock-based compensation expense	0.23	0.24	0.25	0.26	0.27	0.29
Non-GAAP EPS	**$ 1.17**	**$ 1.25**	**$ 1.42**	**$ 1.55**	**$ 1.71**	**$ 1.85**
Operating Cash Flow	**$ 3,790**	**$ 3,516**	**$ 4,352**	**$ 4,732**	**$ 5,211**	**$ 5,542**
Capital expenditures	(650)	(663)	(688)	(720)	(762)	(808)
Capitalized software development costs	(515)	(562)	(616)	(675)	(650)	(600)
Free Cash Flow	**$ 2,625**	**$ 2,290**	**$ 3,048**	**$ 3,337**	**$ 3,799**	**$ 4,135**

	VMware					
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
GAAP Revenue	**$ 6,533**	**$ 7,270**	**$ 7,924**	**$ 8,637**	**$ 9,501**	**$ 10,451**
VMware GSA settlement	76					
Non-GAAP Revenue	**$ 6,609**	**$ 7,270**	**$ 7,924**	**$ 8,637**	**$ 9,501**	**$ 10,451**
GAAP Gross Profit	**$ 5,445**	**$ 5,995**	**$ 6,526**	**$ 7,206**	**$ 7,999**	**$ 8,897**
VMware GSA settlement, litigation and other contingencies, special tax items and other non-recurring expenses	76					
Intangible asset amortization	110	99	92	82	65	26
Stock-based compensation expense	56	61	67	73	80	88
Non-GAAP Gross Profit	**$ 5,686**	**$ 6,155**	**$ 6,685**	**$ 7,361**	**$ 8,145**	**$ 9,011**
GAAP Operating Income	**$ 1,166**	**$ 1,554**	**$ 1,764**	**$ 1,985**	**$ 2,258**	**$ 2,589**
VMware GSA settlement, litigation and other contingencies, special tax items and other non-recurring expenses	80					
Acquisition and other related charges	150	14				
Restructuring charges	21	50	50	50	50	50
Intangible asset amortization	141	124	118	105	84	33
Stock-based compensation expense	526	579	631	687	756	832
Non-GAAP Operating Income	**$ 2,084**	**$ 2,321**	**$ 2,562**	**$ 2,827**	**$ 3,148**	**$ 3,504**
GAAP Net Income attributable to EMC	**$ 795**	**$ 1,021**	**$ 1,171**	**$ 1,323**	**$ 1,505**	**$ 1,725**
R&D tax credit	22	22	22	22	22	22
VMware GSA settlement, litigation and other contingencies, special tax items and other	47					

non-recurring expenses						
Acquisition and other related charges	77	7				
Restructuring charges	15	37	32	32	32	32
Intangible asset amortization	87	76	72	64	51	20
Stock-based compensation expense	338	370	403	439	483	532
Non-GAAP Net Income attributable to EMC	**$ 1,380**	**$ 1,533**	**$ 1,701**	**$ 1,880**	**$ 2,094**	**$ 2,331**
GAAP Net Income attributable to EMC	**$ 795**	**$ 1,021**	**$ 1,171**	**$ 1,323**	**$ 1,505**	**$ 1,725**
Minority interest	184	240	275	310	353	405
GAAP Net Income	**$ 979**	**$ 1,261**	**$ 1,446**	**$ 1,633**	**$ 1,859**	**$ 2,130**
Income tax provision	232	343	387	434	491	562
Non-operating expense	46	50	69	82	92	102

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	VMware					
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
VMware GSA settlement, litigation and other contingencies, special tax items and other non-recurring expenses	80					
Acquisition and other related charges	150	14				
Restructuring charges	21	50	50	50	50	50
Intangible asset amortization	141	124	118	105	84	33
Stock-based compensation expense	526	579	631	687	756	832
Capitalized software amortization						
Depreciation	235	258	282	307	338	372
Adjusted EBITDA	**$ 2,319**	**$ 2,580**	**$ 2,844**	**$ 3,134**	**$ 3,486**	**$ 3,876**
Operating Cash Flow	**$ 1,725**	**$ 2,403**	**$ 2,548**	**$ 2,807**	**$ 3,159**	**$ 3,505**
Capital expenditures	(350)	(440)	(480)	(523)	(575)	(633)
Capitalized software development costs						
Free Cash Flow	**$ 1,376**	**$ 1,963**	**$ 2,069**	**$ 2,284**	**$ 2,584**	**$ 2,872**

Note: Schedules may not add or recalculate due to rounding.

Adjusted July Case

The following tables summarize certain of the July Case financial projections as adjusted by Morgan Stanley, based on management guidance, to reflect an incremental interest expense based on $2.5 billion of incremental EMC debt from 2018 onwards, referred to as the Adjusted July Case and described in *Opinions of EMC s Financial Advisors Opinion of Morgan Stanley Summary of Financial Analyses.* The figures for non-GAAP revenue, non-GAAP gross profit, Adjusted EBITDA, non-GAAP operating income and free cash flow included in the Adjusted July Case were unchanged from the July Case for Consolidated EMC and EMC Core. With respect to VMware, the July Case financial projections were not affected by the difference in assumptions contemplated by the July Case and the Adjusted July Case.

The following table summarizes the Adjusted July Case figures with respect to Consolidated EMC, with non-GAAP net income and non-GAAP EPS including, with respect to VMware, only amounts attributable to EMC s controlling interest in VMware:

(Amounts in millions, except per share numbers)

	Fiscal Year					
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
Non-GAAP Net Income (1)	$ 3,661	$ 3,932	$ 4,436	$ 4,872	$ 5,413	$ 5,928
Non-GAAP EPS	$ 1.87	$ 2.03	$ 2.29	$ 2.51	$ 2.77	$ 3.02

The following table summarizes the Adjusted July Case figures with respect to EMC Core:

(Amounts in millions, except per share numbers)

	Fiscal Year					
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
Non-GAAP Net Income (1)	$ 2,291	$ 2,407	$ 2,743	$ 3,001	$ 3,330	$ 3,609
Non-GAAP EPS	$ 1.17	$ 1.25	$ 1.42	$ 1.54	$ 1.70	$ 1.84

(1) Non-GAAP net income figures for Adjusted July Case include a reduction of $10, $8, $9, $9, $10 and $11 million for years 2015-2020, respectively, reflecting the impact of VMware s dilutive securities on the

amount of income attributable to EMC, calculated by multiplying the difference between VMware s basic and diluted earnings per share by the number of VMware shares owned by EMC. Such Non-GAAP net income figures were provided to the EMC board of directors for informational purposes only and were not relevant for or used by Morgan Stanley in connection with any of the financial analyses performed in connection with providing its opinion to the EMC board of directors on October 11, 2015.

Street Forecast

The following table summarizes the Street Forecast financial projections as described above with respect to Consolidated EMC, with non-GAAP net income and non-GAAP EPS including, with respect to VMware, only amounts attributable to EMC s controlling interest in VMware:

(Amounts in millions, except per share numbers)

	Fiscal Year					
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
Non-GAAP Revenue	$ 25,288	$ 26,467	$ 27,936	$ 29,405	$ 30,874	$ 32,344
Non-GAAP Gross Profit	$ 15,728	$ 16,569	$ 17,432	$ 18,452	$ 19,472	$ 20,492
Adjusted EBITDA	$ 6,763	$ 7,395	$ 8,128	$ 8,708	$ 9,288	$ 9,869
Non-GAAP Operating Income	$ 5,218	$ 5,680	$ 6,174	$ 6,668	$ 7,162	$ 7,657
Non-GAAP Net Income	$ 3,650	$ 3,955	$ 4,143	$ 4,485	$ 4,844	$ 5,204
Non-GAAP EPS	$ 1.86	$ 2.05	$ 2.14	$ 2.31	$ 2.48	$ 2.65
Free Cash Flow	$ 3,581	$ 4,766	$ 5,021	$ 5,585	$ 6,037	$ 6,493

The following table summarizes the Street Forecast financial projections as described above with respect to EMC Core:

(Amounts in millions, except per share numbers)

	Fiscal Year					
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
Non-GAAP Revenue	$ 18,647	$ 19,078	$ 19,823	$ 20,569	$ 21,314	$ 22,059
Non-GAAP Gross Profit	$ 9,950	$ 10,134	$ 10,370	$ 10,760	$ 11,150	$ 11,540
Adjusted EBITDA	$ 4,472	$ 4,821	$ 5,209	$ 5,439	$ 5,670	$ 5,901
Non-GAAP Operating Income	$ 3,132	$ 3,327	$ 3,493	$ 3,659	$ 3,825	$ 3,992
Non-GAAP Net Income	$ 2,271	$ 2,402	$ 2,385	$ 2,503	$ 2,635	$ 2,765
Non-GAAP EPS	$ 1.16	$ 1.24	$ 1.23	$ 1.29	$ 1.35	$ 1.41
Free Cash Flow	$ 1,965	$ 2,853	$ 2,857	$ 3,001	$ 3,160	$ 3,318

The following table summarizes the Street Forecast financial projections with respect to VMware as described above, with non-GAAP net income representing only that amount attributable to EMC s controlling interest in VMware:

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(Amounts in millions)

	Fiscal Year					
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
Non-GAAP Revenue	$ 6,641	$ 7,389	$ 8,113	$ 8,837	$ 9,561	$ 10,285
Non-GAAP Gross Profit	$ 5,778	$ 6,435	$ 7,062	$ 7,692	$ 8,322	$ 8,953
Adjusted EBITDA	$ 2,291	$ 2,574	$ 2,919	$ 3,269	$ 3,618	$ 3,968
Non-GAAP Operating Income	$ 2,086	$ 2,353	$ 2,681	$ 3,009	$ 3,337	$ 3,665
Non-GAAP Net Income	$ 1,379	$ 1,552	$ 1,758	$ 1,983	$ 2,210	$ 2,439
Free Cash Flow	$ 1,617	$ 1,913	$ 2,165	$ 2,584	$ 2,877	$ 3,175

2.x Plan

The following tables summarize certain of the July Case financial projections as adjusted by Evercore, at management s direction, to reflect $5.0 billion of additional borrowing at a 5.0% interest rate used to refinance $2.0 billion of EMC s short-term debt and to repurchase $3.0 billion of EMC common stock at the end of 2015 at a 5% premium to the unaffected share price of EMC common stock, which adjusted July Case we refer to as the 2.x Plan and as described in *Opinions of EMC s Financial Advisors Opinion of Evercore Summary of Financial Analyses.* EMC management s 2.x Plan also contemplated the issuance of tracking stock representing a 40% economic interest in VMware, which did not affect the projections used by Evercore. The figures for non-GAAP revenue, non-GAAP gross profit, Adjusted EBITDA and non-GAAP operating income included in the 2.x Plan were unchanged from the July Case. With respect to VMware, the July Case financial projections were not affected by the difference in assumptions contemplated by the July Case and the 2.x Plan.

The following table summarizes the 2.x Plan figures with respect to Consolidated EMC, with non-GAAP net income and non-GAAP EPS including, with respect to VMware, only amounts attributable to EMC s controlling interest in VMware:

(Amounts in millions, except per share numbers)

	Fiscal Year					
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
Non-GAAP Net Income	$ 3,671	$ 3,787	$ 4,291	$ 4,736	$ 5,287	$ 5,803
Non-GAAP EPS	$ 1.87	$ 2.07	$ 2.34	$ 2.58	$ 2.86	$ 3.12

The following table summarizes the 2.x Plan figures with respect to EMC Core:

(Amounts in millions, except per share numbers)

	Fiscal Year					
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
Non-GAAP Net Income (1)	$	$ 2,255	$	$	$	$
Non-GAAP EPS (2)	$ 1.17	$ 1.24	$ 1.42	$ 1.56	$ 1.73	$ 1.87

(1) Non-GAAP net income figures for EMC Core under the 2.x Plan for fiscal year 2015 and fiscal years 2017-2020 were not provided to the EMC board of directors, and were not relevant for or used by Evercore in any of the financial analyses performed in connection with providing its opinion to the EMC board of directors on October 11, 2015.

(2) Non-GAAP EPS figures for EMC Core under the 2.x Plan were provided to the EMC board of directors for informational purposes only, and were not relevant for or used by Evercore in any of the financial analyses performed in connection with providing its opinion to the EMC board of directors on October 11, 2015.

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Unlevered Free Cash Flows

Additionally, at the direction of EMC management, each of Morgan Stanley and Evercore calculated, based on the financial projections provided by EMC management (and, with respect to the Street Forecast prepared by Morgan Stanley, based on publicly available consensus estimates), unlevered free cash flows for fiscal years 2015 through 2020 for use by the respective financial advisor in connection with its financial analysis of EMC. The unlevered free cash flow amounts were not provided by EMC management to Denali.

The following is a summary of the unlevered free cash flows, which were prepared as described above and used by Morgan Stanley for the purposes of its financial analyses, and which are defined as net cash provided by operating activities and certain one-off non-operating activities, plus after-tax net interest expense less additions to property, plant and equipment, spending on acquisitions and strategic investments, capitalized software development costs, and after-tax stock based compensation expense.

(Amounts in millions)

	Unlevered Free Cash Flow (Morgan Stanley)					
	Fiscal Year					
	2015	2016	2017	2018	2019	2020
Street Case						
Consolidated EMC(1)	$ 1,535	$ 3,961	$ 4,330	$ 4,776	$ 5,140	$ 5,507
EMC Core	$ 361	$ 2,588	$ 2,692	$ 2,779	$ 2,913	$ 3,046
VMware	$ 1,164	$ 1,356	$ 1,619	$ 1,978	$ 2,207	$ 2,440
Adjusted July Case, without M&A spend						
Consolidated EMC(1)	$ 1,812	$ 3,468	$ 4,239	$ 4,671	$ 5,353	$ 5,878
EMC Core	$ 886	$ 1,995	$ 2,716	$ 2,987	$ 3,429	$ 3,733
VMware	$ 920	$ 1,461	$ 1,510	$ 1,670	$ 1,907	$ 2,127
Adjusted July Case, with M&A spend						
Consolidated EMC(1)	$ 1,812	$ 2,468	$ 3,239	$ 3,672	$ 4,353	$ 4,879
EMC Core	$ 886	$ 995	$ 1,716	$ 1,987	$ 2,429	$ 2,733
VMware	$ 920	$ 1,461	$ 1,510	$ 1,670	$ 1,907	$ 2,127

(1) Difference between Consolidated EMC figures and sum of EMC Core and VMware figures is due to tax rate assumptions provided by EMC management.

The following is a summary of the unlevered free cash flows for EMC Core and VMware, which were prepared as described above and used by Evercore for the purposes of its financial analyses, and which are defined as Adjusted EBITDA, less stock-based compensation (solely in the case where Evercore calculated unlevered free cash flows based on the assumption that stock based compensation is treated as an expense), applicable taxes, capital expenditures and acquisitions, and adjusted for changes in working capital and certain other items, in each case, based on guidance from EMC management. The unlevered free cash flows prepared by Evercore for EMC Core were the same under the July Case and the 2.x Plan.

(Amounts in millions)

	Unlevered Free Cash Flows (Evercore)					
	Fiscal Year					
	2015	2016	2017	2018	2019	2020
Expensing stock based compensation						
EMC Core	886	1,995	2,717	2,978	3,412	3,717
VMware	928	1,471	1,520	1,680	1,917	2,137
Not expensing stock based compensation						
EMC Core	1,329	2,447	3,186	3,469	3,932	4,267
VMware	1,348	1,933	2,024	2,229	2,520	2,801

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Important Information About the Unaudited Financial Projections

While the unaudited financial projections summarized above were prepared in good faith and based on information available at the time of preparation, no assurance can be made regarding future events. The estimates and assumptions underlying the unaudited financial projections involve judgments with respect to, among other things, future economic, competitive, regulatory and financial market conditions and future business decisions that may not be realized and that are inherently subject to significant business, economic, competitive and regulatory uncertainties and contingencies, including, among others, risks and uncertainties described under *Risk Factors* and *Cautionary Information Regarding Forward-Looking Statements* , respectively, all of which are difficult to predict and many of which are beyond the control of EMC. These forecasts assume realization of the savings in EMC s previously disclosed cost transformation program. There can be no assurance that the underlying assumptions will prove to be accurate or that the projected results will be realized, and actual results will likely differ, and may differ materially, from those reflected in the unaudited financial projections, whether or not the transaction is completed. As a result, the unaudited financial projections cannot be considered a reliable predictor of future operating results, and this information should not be relied on as such.

The unaudited financial projections, including the amounts attributable to VMware, were created solely for internal use by EMC and not with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial data, published guidelines of the SEC regarding forward-looking statements and the use of non-GAAP measures or GAAP. In the view of EMC management, the forecasts prepared by them were prepared on a reasonable basis based on the best information available to EMC management at the time of their preparation. The unaudited financial projections, however, are not fact and should not be relied upon as being necessarily indicative of future results of EMC or VMware, and readers of this proxy statement/prospectus are cautioned not to place undue reliance on this information. The inclusion of the unaudited financial projections in this proxy statement/prospectus shall not be deemed an admission or representation by EMC that such information is material. None of the unaudited financial projections reflect any impact of the transaction.

No independent registered public accounting firm has examined, compiled or otherwise performed any procedures with respect to the prospective financial information contained in these financial forecasts and, accordingly, no independent registered public accounting firm has expressed any opinion or given any other form of assurance with respect thereto and no independent registered public accounting firm assumes any responsibility for the prospective financial information. The report of the independent registered public accounting firm incorporated by reference into this proxy statement/prospectus with respect to EMC relates solely to the historical financial information of EMC and does not extend to the unaudited financial projections and should not be read to do so.

By including in this proxy statement/prospectus a summary of certain of the unaudited financial projections regarding the operating results of EMC (including the amounts attributable to VMware), none of EMC, VMware nor any of their respective representatives has made or makes any representation to any person regarding the ultimate performance of EMC or VMware compared to the information contained in the financial projections. The unaudited financial projections cover multiple years and such information by its nature becomes less predictive with each succeeding year. EMC does not undertake any obligation, except as required by law, to update or otherwise revise the unaudited financial projections contained in this proxy statement/prospectus to reflect circumstances existing since their preparation or to reflect the occurrence of unanticipated events or to reflect changes in general economic or industry conditions, even in the event that any or all of the underlying assumptions are shown to be in error. VMware has no obligation to update projections used by EMC and its financial advisors regarding the amounts attributable to VMware.

The summary of the unaudited financial projections are not included in this proxy statement/prospectus in order to induce any EMC shareholder to vote in favor of the proposal to approve the merger agreement or any of the other proposals to be voted on at the EMC special meeting of shareholders.

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Denali s Reasons for the Merger

The Denali board of directors reasons for entering into the merger agreement include:

Denali s belief that the combined company is expected to be a leader in numerous high-growth areas of the $2 trillion information technology market, with a complementary portfolio, sales team and R&D organization across four globally recognized technology franchises servers, storage, virtualization and PCs and is expected to bring together strong capabilities in the fast growing areas of the technology industry, including converged infrastructure, digital transformation, software-defined data center, hybrid cloud, mobile and security;

Denali s belief that the combination of Denali and EMC will enable the combined company to address more of its customers needs, specifically as relates to the complementary nature of Dell s server business and EMC s strength in both legacy and emerging storage solutions as well as capitalizing on EMC s leadership in research and development and innovation and Dell s world-class supply chain operations;

Denali s belief that the transaction will strengthen the position of both Dell and EMC in an increasingly competitive global marketplace;

Denali s belief that the transaction will unite Dell s strength with small business and mid-market customers with EMC s strength with large enterprises creating revenue synergies that would not exist if the companies remained separate;

the ability to take advantage of Denali s privately controlled ownership structure (and the flexibility and agility associated with private ownership) to focus on customers and invest and innovate for long-term results, and the ability to incubate high-growth businesses in promising markets;

the possibility of Denali reducing its indebtedness within 18-24 months after completion of the merger given the strong cash flow generation capacity of the combined company and achieving an investment grade corporate debt rating, which would provide more dependable and economical access to capital markets and enhance financial flexibility;

Denali s belief that the VMware business is currently an attractive long-term investment opportunity;

Denali s belief that the transaction is expected to accelerate VMware s growth across all of its businesses through increased opportunities for integration with Dell s solutions and go-to-market channels; and

- the significant cost opportunities derived from global scale in purchasing and operations as well as the opportunity to realize operating efficiencies and other synergies following the completion of the transaction.

The Denali board of directors also considered a number of potentially negative factors in its deliberations concerning the merger, including:

- the difficulties and management challenges inherent in completing the merger and integrating the businesses, operations and workforce of EMC with those of Denali;

- the risk that failure to retain key EMC personnel may make integration of such businesses challenging;

- uncertainty about the effect of the proposed merger on Denali s and EMC s customers, suppliers and other partners, which could cause customers, suppliers and other partners to seek to change existing business relationships with Denali or EMC;

- the possibility of encountering difficulties in achieving expected growth, synergies and cost savings;

- the risk that EMC s financial performance may not meet Denali s expectations;

the risk that all conditions to the obligations of the parties to complete the merger might not be satisfied or that the merger might not otherwise be completed, or that completion may be unduly delayed, including the effect of the pendency of the merger and the effect such failure to be completed may have on:

Denali s operating results, particularly in light of the costs incurred in connection with the merger; and

Denali s ability to attract and retain key personnel, suppliers and customers; and

the fact that, under the merger agreement, Denali may be required to pay to EMC a termination fee of $4 billion (or $6 billion if Denali fails to make available the amount of cash on hand required to be made available by Denali under the merger agreement), and that such fee may be payable under certain circumstances following the termination of the merger agreement, as more fully described under *The Merger Agreement Termination Fees*.

In view of the wide variety of factors considered in connection with its evaluation of the merger and the complexity of these matters, the Denali board of directors did not find it useful and did not attempt to assign any relative or specific weights to the various factors that it considered in reaching its determination to approve the merger and the merger agreement. In addition, individual members of the Denali board of directors may have given differing weights to different factors. The Denali board of directors conducted an overall analysis of the factors described above, including through discussions with, and inquiry of, Denali s management and outside legal and financial advisors regarding certain of the matters described above. See the section entitled *Cautionary Information Regarding Forward-Looking Statements*.

Financing of the Merger

Denali, Denali Intermediate and Dell have obtained a commitment letter, such commitment letter, as amended from time to time in accordance with the merger agreement, being referred to as the debt commitment letter, from, among others, Credit Suisse AG, Cayman Islands Branch, Credit Suisse Securities (USA) LLC, JPMorgan Chase Bank, N.A., J.P. Morgan Securities LLC, Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Bank PLC, Citigroup Global Markets Inc., Citibank, N.A., Citicorp USA, Inc., Citicorp North America, Goldman Sachs Bank USA, Goldman Sachs Lending Partners LLC, Deutsche Bank AG New York Branch, Deutsche Bank AG Cayman Islands Branch, Deutsche Bank Securities Inc., Royal Bank of Canada and RBC Capital Markets, collectively referred to as the lenders, to provide, severally but not jointly, upon the terms and subject to the conditions set forth in the debt commitment letter, in the aggregate up to $49.5 billion in debt financing (not all of which is expected to be drawn at the closing of the merger), consisting of the following:

$8.0 billion senior secured term loan B facility;

$3.5 billion senior secured term loan A-1 facility;

$3.5 billion senior secured term loan A-2 facility;

$2.5 billion senior secured term cash flow facility;

$3.0 billion senior secured revolving facility;

$16.0 billion senior secured bridge facility (which Denali does not expect to utilize as it is expected that the subsidiaries of Dell International will issue and sell $20.0 billion in aggregate principal amount of senior secured notes in lieu thereof, as described below);

$9.0 billion senior unsecured bridge facility (which would be utilized in the event that Dell International or one or more of its subsidiaries does not issue and sell the full amount of the senior unsecured notes referred to below at or prior to the closing of the merger);

$2.5 billion margin bridge facility; and

$1.5 billion VMware note bridge facility.

It is also expected that, at or prior to the closing of the merger, up to $25.0 billion in aggregate principal amount of senior secured notes and senior unsecured notes, referred to as the notes, will be issued by Dell International or one or more of its subsidiaries in one or more offerings conducted under Rule 144A of the Securities Act and in reliance on Regulation S under the Securities Act. In particular, it is expected that, on or about June 1, 2016, two wholly-owned subsidiaries of Dell International, referred to as the Fincos, will co-issue $20.0 billion in aggregate principal amount of senior secured notes in an offering conducted under Rule 144A of the Securities Act and in reliance on Regulation S under the Securities Act. Upon the completion of the merger, Dell International and EMC will assume the obligations of the Fincos under the senior secured notes and become the co-issuers thereof and the notes will be guaranteed, subject to certain exceptions, on a joint and several basis by Denali, Denali Intermediate, Dell and Denali Intermediate s direct and indirect wholly-owned material domestic subsidiaries that will guarantee the credit facilities. The notes will be secured, on a pari passu basis with the credit facilities, on a first-priority basis by substantially all of the tangible and intangible assets of the issuers and guarantors that secure obligations under the credit facilities, including pledges of all capital stock of the issuers, of Dell and of certain wholly-owned material subsidiaries of the issuers and the guarantors (but limited to 65% of the voting stock of any foreign subsidiary), subject to certain exceptions. The senior secured notes will contain investment grade covenants, restricting the issuers and the guarantors ability to enter into asset sales with respect to the collateral, to incur secured debt and to enter into sale and lease-back transactions, subject to certain exceptions. The senior unsecured notes, if and when issued, are expected to contain customary covenants for non-investment grade issuers.

This proxy statement/prospectus is not an offer to sell or a solicitation of an offer to purchase the notes, nor shall there be any offer or sale of the notes in any state or jurisdiction in which such offer, solicitation or sale would be unlawful.

It is also contemplated that, at, prior to or after the closing of the merger, (1) a margin loan facility in an aggregate principal amount of up to $2.5 billion may be entered into by a special purpose vehicle in lieu of the margin bridge facility and (2) a permanent financing solely secured by the VMware intercompany notes in an aggregate principal amount of up to $1.5 billion may be entered into by the Company in lieu of the VMware note bridge facility.

We refer to the financing described above collectively as the debt financing, the facilities referred to in the first through fourth bullet points as the term loan facilities, the facilities referred to in the first through fifth bullet points as the credit facilities and the bridge facilities referred to in the sixth and seventh bullet points as the corporate bridge facilities. The aggregate principal amount of the term loan facilities and the corporate bridge facilities (or the notes, as the case may be) may be increased to fund certain original issue discount or upfront fees in connection with the debt financing. The proceeds of the debt financing will be used (1) to finance, in part, the payment of the amounts payable under the merger agreement, the refinancing of certain of Dell International s and EMC s indebtedness outstanding as of the closing of the merger and the payment of related fees and expenses, (2) to provide ongoing working capital and (3) for other general corporate purposes of Dell and its subsidiaries, including EMC.

Denali has also obtained committed equity financing for up to $4.25 billion in the aggregate from the common stock investors. The terms and conditions of the equity financing are described under *The Merger Agreement Common Stock Purchase Agreements*.

In addition, each of Denali and EMC has agreed to make available a certain amount of cash on hand (at least $2.95 billion, in the case of Denali, and $4.75 billion in the case of EMC) at the closing of the merger for the purpose of financing the transactions contemplated by the merger agreement. See *The Merger Agreement Denali Cash on Hand* and *The Merger Agreement Liquidation of Investments; Cash Transfers*.

The commitments under the credit facilities may be increased in an aggregate amount not to exceed (1) the greater of (i) $10.0 billion and (ii) 100% of consolidated EBITDA (as defined in the debt commitment letter) for

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the last four fiscal quarters of Dell for which financial statements have been delivered, plus (2) an amount equal to all voluntary prepayments of the credit facilities (with respect to the senior secured revolving facility, to the extent the revolving commitments thereunder are permanently reduced) that are not funded with the proceeds of long-term debt and (3) an additional amount (without giving effect to amounts incurred simultaneously under (1) and (2)) such that the net first lien leverage ratio would not exceed 3.25:1.00 on a pro forma basis, subject to certain exceptions and the satisfaction of certain conditions.

The debt financing contemplated by the debt commitment letter is conditioned on the completion of the merger in accordance with the merger agreement, as well as other customary conditions, including, but not limited to:

- the execution and delivery by the borrowers and guarantors of definitive documentation, consistent with the debt commitment letter on or prior to December 16, 2016;

- the consummation of the common stock investors equity financing substantially concurrently with the initial borrowing under the term loan facilities;

- subject to certain limitations, the absence of an EMC material adverse effect since October 12, 2015;

- payment of all applicable fees and expenses;

- delivery of certain audited, unaudited and pro forma financial statements;

- as a condition to the availability of the unsecured bridge facility, the lead arrangers and the related investment banks having been afforded a marketing period of at least 15 consecutive business days (subject to certain blackout dates) following receipt of portions of a customary offering memorandum and certain financial statements and data;

- receipt by the lead arrangers of documentation and other information about the borrower and guarantors required under applicable know your customer and anti-money laundering rules and regulations (including the PATRIOT Act);

- (other than with respect to the unsecured bridge facility) subject to certain limitations, the execution and delivery of guarantees by the guarantors and the taking of certain actions necessary to establish and perfect a security interest in specified items of collateral;

- the repayment of certain outstanding debt of Dell International and EMC; and the accuracy in all material respects of certain representations and warranties in the merger agreement and specified representations and warranties in the loan documents.

If any portion of the debt financing becomes unavailable on the terms and conditions contemplated by the debt commitment letter, Dell is required to promptly notify EMC and use its reasonable best efforts to obtain alternative financing (in an amount sufficient to enable the transaction contemplated by the merger agreement to be completed) from the same or other sources on terms and conditions no less favorable in the aggregate to Dell than such unavailable debt financing (including the flex provisions contained in the fee letter referenced in the debt commitment letter). As of [ ], the last practicable date before the printing of this proxy statement, no alternative financing arrangements or alternative financing plans have been made in the event the debt financing is not available as anticipated. Except as described herein, there is no current plan or arrangement regarding the refinancing or repayment of the debt financing.

The documentation governing debt financing contemplated by the debt commitment letter has not been finalized and, accordingly, the actual terms of the debt financing may differ from those described in this proxy statement. In particular, certain terms of the various credit facilities and the corporate bridge facilities are subject to flex provisions.

The lenders may invite other banks, financial institutions and institutional lenders to participate in the debt financing contemplated by the debt commitment letter and to undertake a portion of the commitments to provide such debt financing. In addition, Denali is currently in discussions with the lenders regarding potential amendments to the debt commitment letter to retranche the various credit facilities to take into account the expected divestiture of Dell Services and the expected issuance and sale of $20.0 billion in aggregate principal amount of senior secured notes. Such amendments are not expected to amend any of the conditions in the debt commitment letter or reduce the aggregate amount of the debt financing to be provided under the debt commitment letter.

Credit Facilities

Obligors and Security

The borrower under the credit facilities will be Dell International and, after the closing of the merger, EMC will become a co-borrower under the credit facilities. The credit facilities will be guaranteed, subject to certain agreed upon exceptions, on a joint and several basis by Denali Intermediate and each direct and indirect wholly owned U.S. restricted subsidiary of Denali Intermediate, including Dell (other than the co-borrowers). The credit facilities will be secured, subject to certain agreed upon exceptions, by (1) a first priority security interest in substantially all the tangible and intangible assets of Dell International and the guarantors, including Denali Intermediate and Dell, and, after the merger, EMC and each of its subsidiaries that is a guarantor, and (2) a first-priority pledge of 100% of the capital stock of Dell, Dell International and each direct, wholly owned material restricted subsidiary of Denali Intermediate, Dell, Dell International and each other guarantor, including after the merger, EMC and its subsidiaries that are guarantors (which pledge, in the case of any non-U.S. subsidiary of a U.S. subsidiary, will not include more than 65% of the voting stock of such non-U.S. subsidiary), in each case subject to certain exceptions.

Interest Rates, Fees and Amortization

Interest under the senior secured term loan B facility, the senior secured term loan A-1 facility, the senior secured term loan A-2 facility and the senior secured term cash flow facility will be payable, at the option of the borrower, either at a base rate or a LIBOR-based rate plus a margin to be agreed.

The borrower may elect interest periods under the credit facilities of one, two, three or six months (or twelve months or less than one month if agreed to by all lenders) with respect to loans bearing interest based on LIBOR. Interest will be payable, in the case of loans bearing interest based on LIBOR, at the end of each interest period (but at least every three months) and, in the case of loans bearing interest based on the base rate, quarterly in arrears. In addition, the borrower is required to pay a commitment fee on any unutilized commitments under the senior secured revolving facility. The initial commitment fee rate is 0.375% per annum and after the date of closing of the merger, will vary based upon a corporate ratings-based pricing grid. The borrower is also required to pay customary letter of credit fees.

The senior secured term loan B facility will mature seven years from the date of closing of the merger and will amortize in equal quarterly installments in aggregate annual amounts equal to 1.00% of the original principal amount. The senior secured term loan A-1 facility will mature three years from the date of closing of the merger and will have no amortization. The senior secured term loan A-2 facility will mature five years from the date of closing of the merger and will amortize in equal quarterly installments in aggregate annual amounts equal to 5.0% of the original principal amount in each of the first two years after the date of closing of the merger, 10% of the original principal amount in each of the third and fourth years after the date of closing of the merger and 70% of the original principal amount in the fifth year after the date of closing of the merger. The senior secured revolving facility will mature five years from the date of closing of the merger and will have no amortization. The senior secured term cash flow facility will mature 364 days after the date of closing of the merger and will have no amortization.

Prepayments

The term loan facilities require the borrower to prepay outstanding term loans, subject to certain exceptions, with:

50% (which percentage will be reduced to 25% and 0% upon achievement of certain first lien leverage ratios) of Dell s annual excess cash flow;

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- subject to the mandatory prepayment provisions under the senior secured bridge facility with respect to net cash proceeds of certain asset sales and dispositions as described below under *Corporate Bridge Facilities Prepayments*, 100% (which percentage will be reduced to 50% and 0% upon achievement of certain first lien leverage ratios) of the net cash proceeds of all non-ordinary course asset sales or other dispositions of property by Dell and its restricted subsidiaries (including insurance and condemnation proceeds, subject to de minimis thresholds), (1) if such net cash proceeds are not reinvested in assets to be used in the business within 450 days of the receipt of such net cash proceeds or (2) if such net cash proceeds are committed to be reinvested within 450 days of the receipt thereof and such reinvestment is completed within 180 days thereafter; and

- subject to the mandatory prepayment provisions under the senior secured bridge facility with respect to net cash proceeds of debt issuances as described below under *Corporate Bridge Facilities Prepayments*, 100% of the net cash proceeds of any issuance or incurrence of debt by Dell or any of its restricted subsidiaries, other than debt permitted under the term loan facilities;

except that (1) the borrower shall not have any reinvestment rights referred to in the second bullet point above until after the receipt by Dell and its restricted subsidiaries of net cash proceeds received from asset sales and dispositions of property of at least $7,500 million (calculated starting from the date of the debt commitment letter) and (2) any prepayments pursuant to such second bullet point will (starting from the date of the debt commitment letter) first reduce the commitments in respect of the senior secured term loan A-1 facility and thereafter, the secured bridge facility.

The borrower may voluntarily repay outstanding loans under the credit facilities at any time without premium or penalty, other than customary breakage costs with respect to LIBOR loans and subject to a 1% prepayment premium with respect to the senior secured term loan B facilities in the event of certain voluntary prepayments or refinancings thereof occurs prior to the six month anniversary of the date of closing of the merger and reduces the effective yield of the senior secured term loan B facility.

Certain Covenants and Events of Default

The credit facilities will contain customary affirmative covenants including, among other things, delivery of annual audited and quarterly unaudited financial statements, notices of defaults, material litigation and material ERISA events, submission to certain inspections, maintenance of property and customary insurance, payment of taxes and compliance with laws and regulations. The credit facilities will also contain customary negative covenants that, subject to certain exceptions, qualifications and baskets, generally will limit the borrower s and its restricted subsidiaries ability to incur debt, create liens, make fundamental changes, enter into asset sales and sale-and-lease back transactions, make certain investments and acquisitions, pay dividends or distribute or redeem certain equity, prepay or redeem certain debt and enter into certain transactions with affiliates. The senior secured term loan A-1 facility, the senior secured term loan A-2 facility and senior secured revolving facility will be subject to a first lien net leverage ratio maintenance covenant that will be tested at the end of each fiscal quarter of Dell.

The credit facilities will also contain certain customary events of default (including upon a change of control).

Corporate Bridge Facilities

Obligors and Security

The borrower under the corporate bridge facilities will be Dell International and, after the closing of the merger, EMC will become a co-borrower under the corporate bridge facilities. The corporate bridge facilities will be guaranteed by the same entities that guarantee the credit facilities.

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The senior secured bridge facility will be secured by the same assets (on an equal priority basis) that secure the credit facilities. The senior unsecured bridge facility will not be secured by any assets.

Interest Rates, Fees and Amortization

Interest under the senior unsecured bridge facility will initially be payable at a LIBOR-based rate plus an escalating margin to be agreed up to a cap. Interest will be payable at the end of each interest period (but at least every three months).

Interest under the senior secured bridge facility will initially be payable, at the option of the borrower, at a either at a base rate or a LIBOR-based rate plus an escalating margin to be agreed.

The borrower may elect interest periods under the senior secured bridge facility of one, two, three or six months (or twelve months or less than one month if agreed to by all lenders) with respect to loans bearing interest based on LIBOR. Interest on the senior secured bridge facility will be payable, in the case of loans bearing interest based on LIBOR, at the end of each interest period (but at least every three months) and, in the case of loans bearing interest based on the base rate, quarterly in arrears.

The borrower is required to pay duration fees which are payable for each 90 day period that the senior secured bridge facility is outstanding.

Any loans under the senior unsecured bridge facility that are not paid in full on or before the first anniversary of the closing date of the merger will automatically be converted into senior unsecured term loans maturing seven years after the closing date of the merger. After such a conversion, the holders of outstanding senior unsecured term loans may choose, subject to certain limitations, to exchange their loans for senior unsecured exchange notes that mature seven years after the closing date of the merger.

Any loans under the senior secured bridge facility that are not paid in full on or before 364 days after the closing of the merger may, at the option of Dell and so long as no payment or bankruptcy event of default has occurred and is continuing, be extended for an additional 364 days after payment by Dell of an extension fee. The senior secured bridge facility will have no amortization.

Prepayments

The senior unsecured bridge facility requires the borrower to prepay outstanding bridge loans, subject to certain exceptions:

- with 100% of the net cash proceeds from the issuance of any unsecured high-yield securities;

- with the net cash proceeds from the issuance of any debt incurred to refinance the senior unsecured bridge facility;

- with 100% of the net cash proceeds of all non-ordinary course asset sales or other dispositions of property by Dell and its restricted subsidiaries (including insurance and condemnation proceeds, subject to de minimis thresholds) in excess of amounts either reinvested or required to be paid to the lenders under the credit facilities and secured bridge facility or holders of certain other indebtedness; and

following a change of control.

The senior secured bridge facility requires the borrower to prepay outstanding senior secured bridge loans, subject to certain exceptions, with:

after reduction in full of the commitments under the term loan A-1 facility, 100% of the net cash proceeds of all non-ordinary course asset sales or other dispositions of property by Dell and its restricted subsidiaries (including insurance and condemnation proceeds, subject to de minimis thresholds), subject to reinvestment rights expected to be substantially similar to those for the credit facilities, except that the borrower shall not have any reinvestment rights until after the receipt by Dell and its restricted subsidiaries of net cash proceeds received from asset sales and dispositions of property of at least $7.5 billion (calculated starting from the date of the debt commitment letter);

subject to the senior unsecured bridge facility debt sweep, 100% of the net cash proceeds of any issuance or incurrence of debt by Dell or any of its restricted subsidiaries, other than certain excluded debt and debt issuances of up to $500 million in the aggregate; and

100% of the net cash proceeds of issuances of equity securities or equity-linked securities, subject to certain exceptions.

The borrower may voluntarily repay outstanding loans under the corporate bridge facilities at any time without premium or penalty, other than customary breakage costs with respect to LIBOR loans.

Certain Covenants and Events of Default

The corporate bridge facilities will contain customary affirmative covenants substantially consistent with those contained in the credit facilities. The senior secured bridge facility will contain negative covenants substantially consistent with those contained in the credit facilities. The senior unsecured bridge facility is expected to contain incurrence-based negative covenants as are customary for bridge loan financings of this type and consistent with Rule 144A for life high yield indentures of comparable issuers. Such negative covenants will, subject to certain exceptions, qualifications and baskets, restrict, among other things, the borrower s and its restricted subsidiaries ability to incur debt, create liens, enter into asset sales, make certain investments and acquisitions, pay dividends or distribute or redeem certain equity, prepay or redeem certain debt and enter into transactions with affiliates.

The corporate bridge facilities will not include financial maintenance covenants. The corporate bridge facilities will contain certain customary events of default (including upon a change of control).

Margin Bridge Facility

Obligors and Security

The borrower under the margin bridge facility will be Merger Sub prior to the closing of the merger and, after the closing of the merger, will be EMC. The margin bridge facility will not be guaranteed by any of the subsidiaries of the borrower or Denali.

The margin bridge facility will be secured solely by 77,033,442 shares of Class B common stock of VMware. The funding of the margin bridge facility is not contingent on the value of the collateral or the trading price of shares of VMware Class A common stock.

Interest Rates and Amortization

Interest under the margin bridge facility will be payable, at the option of the borrower, either at a base rate or a LIBOR-based rate plus a margin to be agreed. Interest will be payable, in the case of loans bearing interest based on LIBOR, at the end of each interest period (but at least every three months) and, in the case of loans bearing interest based on the base rate, quarterly in arrears. The margin bridge facility will mature 364 days after the date of closing of the merger and will have no amortization.

Prepayments

The margin bridge facility requires the borrower to prepay outstanding margin bridge loans with 100% of the net cash proceeds of any asset sale or other disposition of the pledged VMware shares. The borrower may voluntarily repay outstanding loans under the margin bridge facility at any time without premium or penalty, other than customary breakage costs.

Certain Covenants and Events of Default

The margin bridge facility will not include any affirmative or negative covenants, other than an asset sale covenant solely with respect to the pledged VMware shares which will require that 100% of the consideration for the sale of such shares consist of cash or cash equivalents and require that all such proceeds be used to repay the margin bridge facility. The margin bridge facility will also contain events of default substantially consistent with the credit facilities, as modified to reflect the nature of the margin bridge facility.

VMware Intercompany Note Bridge Facility

Obligors and Security

The borrower under the VMware note bridge facility will be Merger Sub prior to the closing of the merger and, after the closing of the merger, will be EMC. The VMware note bridge facility will not be guaranteed by any of the subsidiaries of the borrower or Denali.

The VMware note bridge facility will be secured by the VMware intercompany notes, which are payable to EMC.

Interest Rates and Amortization

Interest under the VMware note bridge facility will be payable, at the option of the borrower, either at a base rate or a LIBOR-based rate plus a margin to be agreed. Interest will be payable, in the case of loans bearing interest based on LIBOR, at the end of each interest period (but at least every three months) and, in the case of loans bearing interest based on the base rate, quarterly in arrears. The VMware note bridge facility will mature 364 days after the date of closing of the merger and will have no amortization.

Prepayments

The VMware note bridge facility requires the borrower to prepay outstanding VMware note bridge loans with 100% of the net cash proceeds of any asset sale or other disposition of the pledged VMware promissory notes. The borrower may voluntarily repay outstanding loans under the VMware note bridge facility at any time without premium or penalty, other than customary breakage costs.

Certain Covenants and Events of Default

The VMware note bridge facility will not include any affirmative or negative covenants, other than an asset sale covenant solely with respect to the pledged VMware promissory notes which will require that 100% of the consideration for the sale of such promissory notes consist of cash or cash equivalents and require that all such proceeds be used to repay the VMware note bridge facility. The VMware note bridge facility will also contain events of default substantially consistent with the credit facilities, as modified to reflect the nature of the VMware note bridge facility.

Refinancing of Certain Indebtedness

Dell expects that the aggregate amounts of principal, interest and premium necessary to redeem in full the outstanding $1.4 billion in aggregate principal amount of 5.625% Senior First Lien Notes due 2020 co-issued by Dell International and Denali Finance Corp. will be deposited with the trustee for such notes, and that such notes will thereby be satisfied and discharged, substantially concurrently with the effective time of the merger. Dell further expects that all of Dell s and EMC s other outstanding senior notes and senior debentures will remain outstanding after the effective time of the merger in accordance with their respective terms. All principal, accrued but unpaid interest, fees and other amounts (other than certain contingent obligations) outstanding at the effective time of the merger under (1) EMC s unsecured revolving credit facility will be repaid in full substantially concurrently with the closing and all commitments to lend and guarantees in connection therewith will be terminated and/or released, (2) EMC s outstanding commercial paper will be refinanced, (3) Dell International s asset based revolving credit facility will be repaid in full substantially concurrently with the closing and all commitments to lend and guarantees and security interests in connection therewith will be terminated and/or released and (4) Dell International s term facilities will be repaid in full substantially concurrently with the closing and all commitments to lend and guarantees and security interests in connection therewith will be terminated and/or released.

Interests of Certain Denali Directors and Officers

As of May 15, 2016, Michael S. Dell and a separate property trust for the benefit of Mr. Dell s wife beneficially owned approximately 70% of Denali s voting securities. Concurrently with the merger agreement, Mr. Dell and a separate property trust for the benefit of Mr. Dell s wife entered into a common stock purchase agreement with Denali in which Mr. Dell and the separate property trust agreed to purchase common stock of Denali on the closing date of the merger for an aggregate purchase price of up to $3.0 billion.

Egon Durban, a current director of Denali, serves as Managing Partner and Managing Director of Silver Lake. Simon Patterson, a current director of Denali, serves as Managing Director of Silver Lake. As of May 15, 2016, investment funds associated with Silver Lake beneficially owned approximately 24% of Denali s voting securities. Concurrently with the merger agreement, the SLP investors entered into a common stock purchase agreement with Denali in which the SLP investors agreed to purchase common stock of Denali on the closing date of the merger for an aggregate purchase price of up to $1.0 billion.

In addition, as of May 15, 2016 Denali directors and executive officers owned less than 1,000 shares of EMC.

Interests of Certain EMC Directors and Officers

The EMC board of directors and its compensation committee have designed the director and executive compensation programs of EMC, in consultation with independent outside compensation experts, with a view towards attracting and retaining qualified candidates and taking into account, among other things, the compensation practices of EMC s peers and competitors for such qualified candidates and market compensation practices generally. A significant component of this compensation program consists of equity and equity-based compensation, which is granted pursuant to equity compensation plans which are disclosed to, and approved by, EMC s shareholders. The treatment of the equity compensation described below is in accordance with the terms of EMC s governing equity compensation plan.

In considering the recommendation of the EMC board of directors with respect to the transaction, EMC shareholders should be aware of the effect of the transaction on the compensation arrangements of the executive officers of EMC, which are in addition to the effect of the transaction upon the EMC common stock owned by such individuals. These interests are summarized below. The compensation arrangements of Joseph M. Tucci are included below in the discussion of the compensation arrangements of executive officers, as all of such compensation is in respect of Mr. Tucci s services as an executive officer; Mr. Tucci receives no additional compensation in respect of his service on the EMC board of directors.

In addition, Denali has announced that certain of EMC s current executive officers will serve on the leadership team of Denali following the completion of the merger: Jeremy Burton, EMC s current President, Products and Marketing, will become the Chief Marketing Officer of Denali; Howard D. Elias, EMC s current President and Chief Operating Officer, Global Enterprise Services, will become President, Global Services and IT; David I. Goulden, currently Chief Executive Officer of the EMC Information Infrastructure business, will become President, Enterprise Systems Group of Denali; William F. Scannell, EMC s current President, Global Sales and Customer Operations, will become President, Enterprise Sales of Denali, and Amit Yoran will remain President of RSA. Rob Mee, currently Chief

Executive Officer, Pivotal, will be part of an executive group that includes the presidents of Denali s business units and go-to-market organizations. Messrs. Burton, Elias and

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Goulden will become executive officers of Denali following the completion of the merger. Additional information with respect to the board of directors and the management of Denali following the completion of the merger is included under *Management of Denali after the Merger*.

Denali has had discussions with such executives regarding their employment arrangements following the completion of the merger and anticipates entering into new employment and compensation arrangements with such executives prior to the closing. No agreements or arrangements have been entered into as of the date of this proxy statement/prospectus, but it is anticipated that the total annual compensation opportunity for any such executive may be greater under any such new agreements and arrangements.

Consideration Payable to Executive Officers Pursuant to the Transaction

As a group, the executive officers of EMC beneficially owned 3,531,113 shares of EMC common stock as of May 11, 2016 (not including unvested equity and equity-based awards discussed below). In the event that the transaction were to be completed, the executive officers would receive the same merger consideration per share of EMC common stock (on the same terms and conditions) as the other EMC shareholders. If the executive officers of EMC continue to hold all of the shares of EMC common stock beneficially owned by them as of May 11, 2016, upon the completion of the transaction, such executive officers would receive an aggregate of $84,923,268 in cash and approximately 393,083 shares of Class V Common Stock in respect of such shares of EMC common stock (based on an estimated 2,002,904,273 shares of EMC common stock issued and outstanding, calculated on a fully diluted basis, immediately prior to the completion of the transaction). Dispositions of shares of EMC common stock by executive officers of EMC and vesting or exercise of currently unvested or unexercised equity or equity-based awards (described in more detail below), in each case prior to the completion of the transaction, will change the amount of cash and shares of Class V Common Stock such executive officers will receive in respect of their shares of EMC common stock upon the completion of the transaction.

Equity-Based Awards Held by Executive Officers of EMC

Set forth below is a discussion of the treatment in the transaction of stock options and service- and performance-vesting restricted stock unit awards held by the executive officers of EMC.

Treatment of Unvested Restricted Stock Unit and Performance Unit Awards

Executive officers of EMC hold time- and performance-vesting restricted stock units with respect to an aggregate of 4,277,964 shares of EMC common stock (measured at the target level of performance in the case of performance-vesting restricted stock units); these unvested restricted stock units are rights to receive shares of EMC common stock upon the occurrence of the applicable vesting event (satisfaction of service requirements and/or attainment of applicable performance goals, as the case may be). In accordance with the terms of the merger agreement, immediately prior to the vesting effective time of the merger each restricted stock unit award will be fully vested (with vesting occurring at the target level of performance in the case of performance-vesting restricted stock units) and converted into the whole net number of shares of EMC common stock subject to the award (net of shares with a fair market value equal to the tax withholding required upon the vesting of the shares). Upon the completion of the transaction, the holders of such vested shares will become entitled to receive the merger consideration in the same manner as other outstanding shares of EMC common stock, together with cash in lieu of any fractional shares of EMC common stock. The approximate value of the cash payments and the approximate number of shares of Class V Common Stock that each executive officer of EMC would receive in respect of such unvested time- and performance-vesting restricted stock units is set forth in the table below. This information is based on the number of shares subject to unvested time- and performance-vesting restricted stock units expected to be held by executive officers of EMC as of May 11, 2016. Vesting and/or forfeiture of currently unvested time- and performance-vesting restricted stock units prior to the vesting effective time of the merger will change the amount of merger consideration the executive officers will receive in respect of their unvested

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time- and performance-vesting restricted stock units in connection with the transaction. The numbers in the table do not reflect reductions in payments that will result from withholding of shares to satisfy tax withholding obligations.

Name of Executive Officer	Number of Shares Subject to Unvested Restricted Stock Units (#)	Cash Consideration for Shares Subject to Unvested Restricted Stock Units ($)	Class V Common Stock Consideration for Shares Subject to Unvested Restricted Stock Units (#)(1)(2)
Joseph M. Tucci	576,069	13,854,459	64,128
William J. Teuber Jr.	228,128	5,486,478	25,395
David I. Goulden	565,463	13,599,385	69,947
Howard D. Elias	432,159	10,393,424	48,108
Jeremy Burton	453,614	10,909,417	50,496
William F. Scannell	432,159	10,393,424	48,112
Paul T. Dacier	291,421	7,008,675	32,114
Erin McSweeney	142,541	3,428,111	15,868
Paul Maritz			
Zane C. Rowe (3)	296,681	7,135,178	33,027
Harry L. You	141,576	3,404,903	15,760
Amit Yoran	207,871	4,999,298	23,140
ML Krakauer	269,624	6,484,457	30,015
Denis G. Cashman	240,658(4)	5,787,825	26,790
Robert C. Mee			

(1) Class V Common Stock consideration based on an estimated 2,002,904,273 shares of EMC common stock issued and outstanding, calculated on a fully diluted basis, immediately prior to the completion of the transaction.
(2) Class V Common Stock consideration rounded to the nearest whole share.
(3) Mr. Rowe served as EMC s Chief Financial Officer until March 1, 2016, at which time he became Chief Financial Officer of VMware. During the term of Mr. Rowe s employment with VMware, he will continue to vest in his outstanding EMC time- and performance-vesting restricted stock units. See VMware s current report on Form 8-K, filed January 20, 2016, for a description of the terms of Mr. Rowe s employment with VMware.
(4) The number of shares shown in this column includes 13,060 shares that are subject to unvested restricted stock awards. Upon the completion of the transaction, these vested shares would be converted into the right to receive the merger consideration in the same manner as other outstanding shares of EMC common stock.

Treatment of Stock Options

Executive officers of EMC hold stock options to acquire, on a net-exercise basis, an aggregate of 799,877 shares of EMC common stock. Each outstanding EMC stock option will vest and become fully exercisable prior to the vesting effective time of the merger. Each EMC stock option that remains outstanding immediately prior to the vesting effective time of the merger will be automatically exercised immediately prior to the vesting effective time of the merger on a net exercise basis, such that shares of EMC common stock with a value equal to the aggregate exercise price and applicable tax withholding will reduce the number of shares of EMC common stock otherwise issuable. Each such holder of a net exercised EMC stock option will thereafter be entitled to receive the merger consideration with respect to the whole net number of shares of EMC common stock issued upon such net exercise, together with cash in lieu of any fractional shares of EMC common stock. The following table sets forth the approximate consideration that each executive officer who holds EMC stock options would be entitled to receive in connection with the completion of the transaction in respect of vested and unvested EMC stock options. This information is based on the number of stock options held by the executive officers of EMC as of May 11, 2016 and assumes that none of the executive officers exercise stock options prior to the vesting

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effective time of the merger. The numbers in the table show the number of shares that may be acquired under the options on a net-exercise basis, but do not reflect reductions in payments that will result from withholding of shares to satisfy tax withholding obligations.

Name of Executive Officer	Number of Shares Subject to: Vested Stock Options (#)	Number of Shares Subject to: Unvested Stock Options (#)	Cash Consideration for Shares Subject to: Vested Stock Options ($)	Cash Consideration for Shares Subject to: Unvested Stock Options ($)	Class V Common Stock Consideration for: Vested Stock Options (#)(1)(2)	Class V Common Stock Consideration for: Unvested Stock Options (#)(1)(2)
Joseph M. Tucci	297,754	2,393	7,160,984	57,552	33,146	266
William J. Teuber Jr.	129,290	1,002	3,109,425	24,098	14,393	112
David I. Goulden	110,109	1,017	2,648,121	24,459	12,257	113
Howard D. Elias	109,708	833	2,638,477	20,034	12,213	93
Jeremy Burton	10,654	664	256,229	15,969	1,186	74
William F. Scannell	20,939	833	503,583	20,034	2,231	93
Paul T. Dacier	75,950	664	1,826,598	15,969	8,455	74
Erin McSweeney						
Paul Maritz						
Zane C. Rowe						
Harry L. You	4,250	508	102,213	12,217	473	57
Amit Yoran						
ML Krakauer	710	326	17,076	7,840	79	36
Denis G. Cashman	32,273		776,166		3,593	
Robert C. Mee						

(1) Class V Common Stock consideration based on an estimated 2,002,904,273 shares of EMC common stock issued and outstanding, calculated on a fully diluted basis, immediately prior to the completion of the transaction.
(2) Class V Common Stock consideration rounded to nearest whole share.

Possible Equity Rollover

Pursuant to the merger agreement, Denali may agree with employees of EMC to exchange EMC equity compensation awards for cash awards and/or equity securities of Denali or an affiliate of Denali. In the event of any such agreement, such exchange would be in lieu of the treatment of such EMC equity compensation awards described above. As of the date hereof, no such agreement has been entered into and there can be no assurance that any such agreement will be entered into.

Change in Control Agreements with Executive Officers

Each executive officer of EMC listed below is a party to a Change in Control Severance Agreement with EMC that provides severance benefits if there is both (i) a change in control (or potential change in control) of EMC and (ii) the executive s employment is terminated by EMC (or any successor) without cause or if the executive terminates his or her employment for good reason, in each case within 24 months following a change in control (or during a potential change in control period). The completion of the transaction will constitute a change in control under these agreements. In the case of a qualifying termination following the completion of the transaction, the officer would receive:

- a lump sum cash severance payment equal to a specified multiple (between 2 and 2.99) times the sum of the executive s annual base salary and target annual bonus;

- a lump sum cash severance payment equal to the executive s prorated annual bonus for the year of termination assuming target performance; and

- the continuation of life, disability, accident and health insurance benefits for the executive and his or her dependents for a period of 24 to 36 months following such termination, reduced to the extent the executive becomes eligible to receive comparable benefits from a new employer or pursuant to a government-sponsored health insurance or health care program.

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Cause will exist under the agreements upon:

- the willful and continued failure by the executive to perform substantially the duties and responsibilities of his or her position;
- the conviction of the executive for a felony; or
- the willful engagement of the executive in fraud or dishonesty which is demonstrably and materially injurious to EMC or its reputation, monetarily or otherwise.

Under the agreements, good reason is generally defined as:

- an adverse change in the executive s role or position;
- a reduction in the executive s base salary;
- the failure by EMC to continue to provide certain compensation and benefits;
- a requirement that the executive s principal place of employment be located greater than 50 miles from where the executive s principal place of employment was located immediately prior to the change in control;
- any unreasonable refusal by EMC to continue to allow the executive to attend to matters or engage in activities not directly related to the business of EMC which, prior to the change in control, the executive was permitted to attend to or engage in;
- any purported termination of the executive s employment which is not effected pursuant to certain notice and procedural requirements; or
- a breach by EMC of its obligations to require a successor to assume and perform EMC s obligations under the agreements.

The agreements provide that any good faith claim by an executive that good reason exists shall be presumed to be correct unless EMC (or a successor) establishes by clear and convincing evidence that good reason does not exist. To claim good reason, the executive must give notice of the good reason event within 90 days after its occurrence and must provide EMC (or a successor) with a 30-day period in which to cure the good reason event. EMC will pay to the executive all legal fees and expenses incurred by the executive in a good faith dispute relating to the termination of employment.

The table below sets forth an estimate of the payments which would be due to the executive officers of EMC in the event of a qualifying termination of such executive s employment within 24 months following the completion of the transaction (or during a specified period prior to the completion of the transaction).

Name of Executive Officer	Cash Severance ($)	Pro-Rated Annual Bonus ($)	Value of Benefit Continuation ($)
Joseph M. Tucci	7,295,600	520,767	39,323
William J. Teuber Jr.	4,335,500	262,192	43,036
David I. Goulden	5,980,000	415,890	54,030
Howard D. Elias	4,784,000	289,315	41,831
Jeremy Burton	4,784,001	289,315	54,030
William F. Scannell	4,335,500	271,233	58,989
Paul T. Dacier	4,186,000	253,151	58,989
Erin McSweeney	1,800,000	153,699	35,891
Zane C. Rowe (1)			
Harry L. You	3,588,001	216,986	54,030
Amit Yoran	2,000,000	180,822	39,422
ML Krakauer	3,139,500	189,863	29,243
Denis G. Cashman	1,800,000	162,740	36,020

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(1) Mr. Rowe served as EMC s Chief Financial Officer until March 1, 2016, at which time he became Chief Financial Officer of VMware. In connection with Mr. Rowe s new role, he is no longer party to a Change in Control Severance Agreement with EMC. See VMware s current report on Form 8-K, filed January 20, 2016, for a description of the terms of Mr. Rowe s employment with VMware.

For other information with respect to the arrangements between EMC and certain executive officers described in this section, see the information included under *Golden Parachute Compensation* below (which is incorporated into this section by reference).

Treatment of Non-Employee Director Equity Compensation and EMC Common Stock Owned by EMC Non-Employee Directors

In considering the recommendation of the EMC board of directors with respect to the transaction, EMC shareholders should also be aware of the effect of the transaction on the compensation arrangements of the non-employee members of the EMC board of directors (summarized below). All of the equity compensation described below was granted to non-employee members of the EMC board of directors under equity compensation plans approved by the EMC shareholders and consists exclusively of ordinary course compensation paid pursuant to the EMC non-employee director compensation program, most recently described in EMC s proxy statement for the 2016 annual meeting of shareholders. This program was developed in consultation with the independent compensation consultant of the compensation committee of the EMC board of directors with a view toward attracting and retaining qualified directors and following consideration of the board compensation practices of EMC s peer companies. The treatment in the transaction of the non-employee director equity compensation described below is in accordance with the terms of the shareholder approved plans under which the awards were made.

Treatment of Stock Options

Non-employee directors of EMC hold stock options to acquire, on a net exercise basis, an aggregate of 76,209 shares of EMC common stock. In accordance with the terms of the merger agreement, these stock options will be treated in the transaction in a manner that is identical to the treatment of stock options held by EMC employees generally which is described under the heading *Treatment of EMC Equity Awards* (except that tax withholding will not apply to non-employee director awards). The following table sets forth the approximate consideration that each non-employee director who holds EMC stock options would be entitled to receive in connection with the completion of the transaction in respect of vested and unvested EMC stock options. This information is based on the number of stock options held by the non-employee directors of EMC as of May 11, 2016 and assumes that none of the non-employee directors exercise stock options prior to the completion of the transaction.

Name of Director	Number of Shares Subject to Vested Stock Options (#)	Cash Consideration for Shares Subject to Vested Stock Options ($)	Class V Common Stock Consideration for Vested Stock Options (#)(1)(2)
Michael W. Brown	8,253	198,485	919
Randolph L. Cowen	8,253	198,485	919
James S. DiStasio	2,885	69,384	321
Edmund F. Kelly	11,986	288,263	1,334

Paul Sagan	11,986	288,263	1,334
David N. Strohm (3)	16,423	394,973	1,828
Gail Deegan (4)	16,423	394,973	1,828

(1) Class V Common Stock consideration based on an estimated 2,002,904,273 shares of EMC common stock issued and outstanding, calculated on a fully diluted basis, immediately prior to the completion of the transaction.
(2) Class V Common Stock consideration rounded to nearest whole share.
(3) Mr. Strohm resigned from the EMC board of directors on October 6, 2015.

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(4) Ms. Deegan served on the EMC board of directors until April 30, 2015. Ms. Deegan departed the board after not standing for re-election at the 2015 annual meeting of shareholders.

Treatment of EMC Common Stock Owned by EMC Non-Employee Directors

In addition, as a group, the non-employee directors of EMC owned 1,982,178 shares of EMC common stock as of May 11, 2016 (not including unvested equity and equity-based awards discussed above). In the event that the transaction were to be completed, the non-employee directors would receive the same merger consideration per share of EMC common stock (on the same terms and conditions) as the other EMC shareholders. If the non-employee directors of EMC continue to hold all of the shares of EMC common stock beneficially owned by them as of May 11, 2016, upon the completion of the transaction, such non-employee directors would receive an aggregate of $47,671,381 in cash and approximately 220,656 shares of Class V Common Stock in respect of such shares of EMC common stock (based on an estimated 2,002,904,273 shares of EMC common stock issued and outstanding, calculated on a fully diluted basis, immediately prior to the completion of the transaction). Dispositions of shares of EMC common stock by non-employee directors of EMC and vesting or exercise of currently unvested or unexercised equity or equity-based awards, in each case prior to the completion of the transaction, will change the amount of cash and shares of Class V Common Stock such non-employee directors will receive in respect of their shares of the EMC common stock upon the completion of the transaction.

Golden Parachute Compensation

The following table sets forth the information required by Item 402(t) of Regulation S-K regarding the compensation for the named executive officers of EMC based on the transaction, assuming that the transaction were completed on May 11, 2016, 2016, and the named executive officers are terminated without cause on the same day immediately following the completion of the transaction. More detail on these payments and benefits is set forth above under *Interests of Certain EMC Directors and Officers*.

Golden Parachute Compensation

Name	Cash ($) (2)	Equity ($) (3)	Pension NQDC ($) (4)	Perquisites/ Benefits ($) (5)	Tax Reimbursements ($) (6)	Other ($)	Total ($)
Joseph M. Tucci	7,816,367	15,959,759		39,324			23,815,450
Zane C. Rowe (1)		8,185,429					8,185,429
David I. Goulden	6,395,891	15,629,190		54,030			22,079,110
Jeremy Burton	5,073,316	12,533,523		54,030			17,660,870
Howard D. Elias	5,073,315	11,946,250		41,831			17,061,397

(1) Mr. Rowe served as EMC s Chief Financial Officer until March 1, 2016, at which time he became Chief Financial Officer of VMware. Accordingly, Mr. Rowe would not be entitled a severance benefit from EMC.

(2) This amount includes severance which would be payable under the applicable named executive officer s Change in Control Severance Agreement in the event of a qualifying termination of his or her employment immediately following the completion of the transaction, plus pro-rata target bonus for the year of termination, assuming the completion of the transaction and the termination of employment took place on May 11, 2016. EMC s obligation to pay the cash severance payments to the named executive officers is conditioned on the applicable named executive officer executing and not revoking a release of claims in favor of EMC. The following table lists the

respective portions of the amount set forth in this column that are attributable to the base salary severance payment, target bonus severance payment and the pro-rata target bonus.

Name	Base Salary ($)	Target Bonus ($)	Pro-Rata Bonus ($)
Joseph M. Tucci	1,000,000	1,440,000	520,767
Zane C. Rowe			
David I. Goulden	850,000	1,150,000	415,890
Jeremy Burton	800,000	800,000	289,315
Howard D. Elias	800,000	800,000	289,315

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(3) This amount includes the value of unvested EMC restricted stock units held by the named executive officers on May 11, 2016, the vesting of which will be accelerated immediately prior to the completion of the transaction (based on a value per share of $27.59, which represents the average closing price of EMC s shares on the first five business days following the announcement of the transaction), and the aggregate spread value in the unvested options held by the named executive officers on such date (based upon the same per-share value). The cash amounts to be paid to the named executive officers in respect of their EMC restricted stock units and stock options that are vested prior to May 11, 2016 are not required to be included in the above table and are therefore not included. The following table sets forth the values of unvested EMC restricted stock units and the aggregate spread value in the unvested options.

Name	Unvested RSU Value ($)	Unvested Option Value ($)
Joseph M. Tucci	15,893,744	66,016
Zane C. Rowe	8,185,429	
David I. Goulden	15,601,124	28,066
Jeremy Burton	12,515,210	18,313
Howard D. Elias	11,923,267	22,983

(4) None of the named executive officers will be entitled to additional pension or non-qualified deferred compensation payments or benefits in connection with the transaction or a termination of employment in connection therewith.

(5) This amount solely represents an estimate of the value of continued life, disability, accident and health coverage for the named executive officer under such named executive officer s Change in Control Severance Agreement and no other amounts as set forth in the following table.

Name	Medical ($)	Dental ($)	Vision ($)	Life ($)	AD&D ($)	STD ($)	LTD ($)	Total ($)
Joseph M. Tucci	34,477	2,297	386	495	45	546	1,078	39,324
Zane C. Rowe								
David I. Goulden	46,691	4,595	580	495	45	546	1,078	54,030
Jeremy Burton	46,691	4,595	580	495	45	546	1,078	54,030
Howard D. Elias	34,492	4,595	580	495	45	546	1,078	41,831

(6) None of the named executive officers is entitled to a tax reimbursement or gross-up in respect of the payments described in the table.

The tabular disclosure set forth above assumes that each of the listed named executive officers (1) is terminated without cause immediately following the completion of the transaction under circumstances that entitle such individual to severance payments and benefits under the applicable named executive officer s Change in Control Severance Agreement and (2) becomes entitled to payment in respect of unvested restricted shares of EMC common stock (and restricted stock units with respect to shares of EMC common stock) based on the per share merger consideration being paid to EMC shareholders in connection with the transaction.

Indemnification; Directors and Officers Insurance

Under the merger agreement, Denali is required to cause the surviving corporation in the merger (or its applicable subsidiary) to provide indemnification and exculpation from liabilities (including advancement of expenses) in favor of current or former directors and officers of EMC as provided in the EMC articles, the EMC bylaws, the organizational documents of EMC s subsidiaries and any indemnification agreement entered into between EMC or one of its subsidiaries and such person. The merger agreement also contains certain obligations related to the maintenance of directors and officers liability insurance and fiduciary liability insurance with respect to acts or omissions occurring at or prior to the effective time of the merger for each person currently covered under EMC s and its subsidiaries existing policies. For a more complete description, see *The Merger Agreement Indemnification and Insurance*.

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Material Contracts between Denali and EMC

Dell has entered into various commercial agreements with EMC from time to time in the ordinary course of business, including those discussed below. Dell currently purchases EMC products for its internal use. Approximately $18 million, $24 million and $101 million in aggregate purchases were made by Dell from EMC pursuant this arrangement in Dell s fiscal 2016, fiscal 2015 and fiscal 2014, respectively. Dell also has entered into various commercial agreements with VMware from time to time in the ordinary course of business. Dell currently purchases VMware products, both as an OEM for incorporation into or bundling with Dell products and as a reseller of VMware-branded products directly to Dell customers. Approximately $53 million, $59 million and $65 million in aggregate OEM purchases, and approximately $297 million, $355 million and $434 million in aggregate purchases of products for resale, were made by Dell from VMware in Dell s fiscal 2016, fiscal 2015 and fiscal 2014, respectively. Dell also purchased an aggregate of $59 million, $61 million and $71 million in VMware products for internal use in its fiscal 2016, fiscal 2015 and fiscal 2014, respectively.

Regulatory Approvals Required for the Merger

General

Under the merger agreement, unless waived by the parties (subject to applicable law), the merger may not be completed until (1) the parties have filed a Notification and Report Form for Certain Mergers and Acquisitions with the FTC and the Antitrust Division of the DOJ under the HSR Act and the applicable waiting period has expired or been terminated; and (2) the approval or clearance of the merger has been granted by relevant antitrust authorities in Australia, Brazil, Canada, China, the European Union, India, Israel, Japan, Mexico, Russia, South Africa, South Korea, Switzerland, Taiwan and Turkey. The parties have agreed to use their reasonable best efforts to comply with all regulatory notification requirements and obtain all regulatory approvals required to complete the merger and the other transactions contemplated by the merger agreement as promptly as practicable, including using reasonable best efforts to (1) resolve any objections under any antitrust law and (2) defend any lawsuits or other legal proceedings challenging the completion of the merger. As of May 23, 2016 the waiting period under the HSR Act had expired, and approval or clearance of the merger had been granted in the European Union, Australia, Brazil, Canada, India, Israel, Japan, Mexico, Russia, South Africa, South Korea, Switzerland, Taiwan and Turkey.

If the merger is not completed by December 16, 2016 or if a governmental authority in the U.S. or a jurisdiction in which Denali, EMC or any of their respective subsidiaries has material operations has adopted any law or regulation prohibiting or rendering the completion of the merger permanently illegal or has issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting the merger, and such order, decree or ruling has become final and nonappealable, either party has the right to terminate the merger agreement as described under *The Merger Agreement Termination*.

HSR Act and U.S. Antitrust Matters

Under the HSR Act and the rules promulgated thereunder, the merger cannot be completed until both parties have filed a Notification and Report Form for Certain Mergers and Acquisitions with the FTC and the Antitrust Division of the DOJ under the HSR Act and the applicable waiting period has expired or been terminated. A transaction notifiable under the HSR Act may not be completed until the expiration of a 30 calendar day waiting period following the parties filing of their respective HSR Act notification forms or the early termination of that waiting period. At any time before or after the completion of the merger, notwithstanding the termination of the waiting period under the HSR Act, the FTC or the Antitrust Division of the DOJ could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the completion of the merger, seeking divestiture of substantial assets of the parties or requiring the parties to license, or hold separate, assets or terminate existing relationships and contractual rights. At any time before or after the completion of the merger, and notwithstanding the termination of the waiting period under the HSR Act, any state could take such action under the antitrust laws as it deems necessary or desirable in the public interest. Such action could include seeking to enjoin the completion of the merger or seeking divestiture of substantial assets of the parties. Private parties may also seek to take legal action under the antitrust laws under certain circumstances.

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The parties filed their required Notification and Report Forms for Certain Mergers and Acquisitions with the FTC and DOJ on January 22, 2016. The waiting period under the HSR Act therefore expired at 11:59 p.m. on February 22, 2016.

Foreign Competition Laws

The merger is also conditioned on the filing of a notification with the European Commission under Council Regulation (EC) No 139/2004 and clearance under the antitrust and competition laws of the European Union unless waived by the parties (subject to applicable law). The parties formally filed such a notification with the European Commission on January 25, 2016. The European Commission cleared the merger on February 29, 2016.

The completion of the merger is also subject to applicable clearances and/or expiration of waiting periods under the antitrust and competition laws of Australia, Brazil, Canada, China, India, Israel, Japan, Mexico, Russia, South Africa, South Korea, Switzerland, Taiwan and Turkey unless waived by the parties (subject to applicable law). The parties filed the required notification with the antitrust authorities in India on November 9, 2015 and then, at the request of the Competition Commission of India, filed a revised notification on January 21, 2016. As of May 23, 2016, the parties have also filed notifications with the antitrust authorities in Australia on January 8, 2016, in Brazil on February 15, 2016, in Canada on January 27, 2016 (for Denali) and January 29, 2016 (for EMC), in China on February 22, 2016 (formal acceptance date), in Israel on February 14, 2016, in Japan on February 12, 2016, in Mexico on January 8, 2016, in Russia on February 11, 2016, in South Africa on December 23, 2015, in South Korea on January 4, 2016, in Switzerland on February 9, 2016, in Taiwan on January 15, 2016 and in Turkey on January 29, 2016.

Material U.S. Federal Income Tax Consequences of the Merger to U.S. Holders

THE FOLLOWING DISCUSSION DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR DISCUSSION OF ALL OF THE POTENTIAL TAX CONSEQUENCES OF THE MERGER. PLEASE CONSULT YOUR OWN TAX ADVISORS AS TO THE SPECIFIC TAX CONSEQUENCES TO YOU OF THE MERGER, INCLUDING TAX RETURN REPORTING REQUIREMENTS AND THE APPLICABILITY AND EFFECT OF U.S. FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX LAWS IN LIGHT OF YOUR PARTICULAR CIRCUMSTANCES.

For purposes of this discussion, a U.S. holder is a beneficial owner of EMC common stock that for U.S. federal income tax purposes is:

- a citizen or individual resident of the United States;
- a corporation, or an entity treated as a corporation, created or organized in or under the laws of the United States or any State or the District of Columbia;
- a trust that (1) is subject to (i) the primary supervision of a court within the United States and (ii) the authority of one or more United States persons to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. federal income tax regulations to be treated as a United States person; or

- an estate that is subject to U.S. federal income tax on its income regardless of its source.

If a partnership (including for this purpose any entity or other arrangement treated as a partnership for U.S. federal income tax purposes) holds EMC common stock, the tax treatment of a partner generally will depend on the status of the partner and the activities of the partnership. If you are, for U.S. federal income tax purposes, treated as a partner of a partnership holding EMC common stock, you should consult your tax advisor.

This discussion addresses only those EMC shareholders that hold their EMC common stock as a capital asset within the meaning of Section 1221 of the Internal Revenue Code (generally, assets held for investment), and does not address all the U.S. federal income tax consequences that may be relevant to particular EMC shareholders in light of their individual circumstances or to EMC shareholders that are subject to special rules, including:

- financial institutions;
- investors in pass-through entities;
- insurance companies;
- tax-exempt organizations;
- dealers in securities;
- traders in securities that elect to use a mark to market method of accounting;
- persons that hold EMC common stock as part of a straddle, hedge, constructive sale or conversion transaction;
- certain expatriates or persons that have a functional currency other than the U.S. dollar;
- persons who received our common stock from the exercise of employee stock options or otherwise as compensation;
- persons that own, directly, indirectly or constructively, common stock (other than Class V Common Stock) of Denali;
- persons that are not U.S. holders; and
- shareholders that acquired their shares of EMC common stock through the exercise of an employee stock option or otherwise as compensation or through a tax-qualified retirement plan.

In addition, the discussion does not address any alternative minimum tax or any state, local or foreign tax consequences of the merger, nor does it address any tax consequences arising under the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010.

The following discussion is based on the Internal Revenue Code, its legislative history, existing and proposed regulations thereunder and published rulings and decisions, all as of the date hereof, and all of which are subject to change, possibly with retroactive effect. Any such change could affect the continuing validity of this discussion.

U.S. Federal Income Tax Treatment of the Merger Generally

Subject to the limitations, assumptions and qualifications described herein, the merger, taken together with related transactions, should qualify as an exchange described in Section 351 of the Internal Revenue Code and the Class V Common Stock received by EMC shareholders in exchange for their shares of EMC common stock should be treated as common stock of Denali. The obligation of EMC to complete the merger is conditioned upon the receipt by EMC of an opinion from Skadden, Arps, Slate, Meagher & Flom LLP, counsel to EMC, to the effect that (1) the merger, taken together with related transactions, should qualify as an exchange described in Section 351 of the Internal Revenue Code and (2) for U.S. federal income tax purposes, the Class V Common Stock should be considered common stock of Denali. The obligation of Denali to complete the merger is conditioned upon the receipt by Denali of an opinion from Simpson Thacher & Bartlett LLP, counsel to Denali, to the effect that (1) the merger, taken together with related transactions, should qualify as an exchange described in Section 351 of the Internal Revenue Code and (2) for U.S. federal income tax purposes, the Class V Common Stock should be considered common stock of Denali. In rendering these opinions, counsel may require and rely upon representations, warranties and covenants provided by EMC, Denali and other relevant parties and certain assumptions. In addition, the opinions will be subject to certain qualifications and limitations as set forth in the opinions. If any of the assumptions, representations, warranties or covenants upon which those opinions are based is inconsistent with the actual facts, the tax opinions could be invalid. Neither Denali nor EMC currently intends to waive the opinion condition to its obligation to complete the merger. If either Denali or EMC waives the opinion condition after the registration statement of which this proxy statement/prospectus forms a part is declared effective by the SEC, and if the tax consequences of the merger to EMC shareholders have materially changed, Denali and EMC will recirculate appropriate soliciting materials to resolicit the votes of EMC shareholders.

The tax opinions delivered by the respective counsels to EMC and Denali are expected to conclude that Class V Common Stock should be treated as common stock of Denali and certain other conclusions contained in such opinions will be based on the view that Class V Common Stock should be so treated. There are, however, no Internal Revenue Code provisions, U.S. federal income tax regulations, court decisions or published IRS rulings directly addressing the characterization of stock with characteristics similar to the Class V Common Stock. In the past, the IRS and prior presidential administrations have announced that they are studying the appropriate treatment of stock similar to the Class V Common Stock or have proposed changing the tax treatment of such stock. In addition, the IRS has announced that it will not issue advance rulings on the characterization of an instrument with characteristics similar to those of Class V Common Stock. Although counsels for EMC and Denali intend to deliver opinions that the Class V Common Stock should be treated as common stock of Denali, in the absence of authorities directly on point or an advance ruling from the IRS, this issue is not free from doubt and there is a risk that the IRS could assert that the Class V Common Stock is property other than stock of Denali. If the IRS were to be successful in any such contention, then adverse tax consequences could result to holders of EMC common stock, EMC and Denali as described below under *U.S. Federal Income Tax Consequences of Alternative Treatment of the Merger or the Class V Common Stock.*

The tax opinions of counsel will not be binding on the IRS or the courts. EMC and Denali have not requested and do not intend to request any ruling from the IRS as to the U.S. federal income tax consequences of the merger. Consequently, no assurance can be given that the IRS will not assert, or that a court would not sustain, a position contrary to any of the tax consequences set forth herein or in such tax opinions. Accordingly, each EMC shareholder should consult its tax advisor with respect to the particular tax consequences of the merger to such shareholder, including the consequences if the IRS were to successfully challenge the treatment of the merger as an exchange described in Section 351 of the Internal Revenue Code or the treatment of the Class V Common Stock as common stock of Denali.

U.S. Federal Income Tax Consequences of the Merger to U.S. Holders of EMC Common Stock

It is anticipated that the merger should generally be treated as an exchange by EMC shareholders of shares of EMC common stock for common stock of Denali and cash in a transaction described in Section 351 of the Internal Revenue Code (except to the extent treated as a redemption, as described below).

To the extent treated as such an exchange and subject to the discussions below relating to the (1) cash provided by EMC and (2) receipt of cash in lieu of fractional shares, a U.S. holder that exchanges EMC common stock for shares of Class V Common Stock and cash in such exchange:

- should recognize capital gain (but not loss) equal to the lesser of (1) the excess, if any, of the amount of cash (other than cash received instead of a fractional share of Class V Common Stock) plus the fair market value of any Class V Common Stock received in the exchange over the U.S. holder s tax basis in the shares of EMC common stock surrendered in exchange therefor and (2) the amount of cash received by the U.S. holder in the exchange (other than cash instead of a fractional share of Class V Common Stock);

should have a tax basis in the Class V Common Stock received equal to the tax basis of the EMC common stock surrendered in exchange therefor, increased by the amount of taxable gain, if any, recognized by the U.S. holder in the exchange (other than with respect to cash received instead of a fractional share of Class V Common Stock), and decreased by the amount of cash received by the U.S. holder in the exchange (other than cash received instead of a fractional share of Class V Common Stock); and should have a holding period for the shares of Class V Common Stock received in the exchange that includes its holding period for its shares of EMC common stock surrendered in exchange therefor.

However, to the extent any portion of the cash received in exchange for EMC common stock is considered to be provided by EMC, such cash should be treated as received in a redemption of EMC common stock by EMC and, in such case, a U.S. holder would generally recognize capital gain or loss equal to the difference between the amount of cash received in such redemption and such holder s tax basis in the portion of such holder s EMC common stock redeemed in such redemption.

Any capital gain or loss recognized by a U.S. holder pursuant to the merger will generally be long-term capital gain or loss if the holding period for such shares of EMC common stock is more than one year. Long-term capital gain of certain non-corporate taxpayers, including individuals, is generally subject to tax at preferential rates. The deductibility of capital losses is subject to limitations.

In the case of any U.S. holder that acquired different blocks of EMC common stock at different times and at different prices, any realized gain or loss will be determined separately for each identifiable block of shares exchanged in the merger.

Cash in Lieu of Fractional Shares

The tax treatment of cash received in lieu of a fractional share pursuant to the merger is not entirely certain. It is possible that a holder of EMC common stock that receives cash instead of a fractional share of Class V Common Stock may be treated as having received the fractional share pursuant to the merger and then as having sold that fractional share of Class V Common Stock for cash. In such case, a holder of EMC common stock would generally recognize gain or loss equal to the difference between the amount of cash received for such fractional share and the portion of the U.S. holder s tax basis in the shares of EMC common stock allocable to the fractional share. Any such gain or loss will generally be capital gain or loss, and will be long-term capital gain or loss if, as of the effective date of the mergers, the holding period for such shares is greater than one year. The deductibility of capital losses is subject to limitations.

It is, however, possible that the receipt of cash in lieu of a fractional share of Class V Common Stock may be treated as the receipt of cash in exchange for EMC common stock in connection with the merger, which would be treated as described above under *U.S. Federal Income Tax Consequences of the Merger to U.S. Holders of EMC Common Stock* (without regard to any exception for cash in lieu of fractional shares).

Backup Withholding and Information Reporting

Payments of cash to a holder of EMC common stock as part of the merger may, under certain circumstances, be subject to information reporting and backup withholding, unless the holder provides proof of an applicable exemption satisfactory to Denali, the exchange agent or the applicable withholding agent or furnishes its taxpayer identification number, and otherwise complies with all applicable requirements of the backup withholding rules. Any amounts withheld from payments to a holder under the backup withholding rules are not additional tax and will be allowed as a refund or credit against the holder s U.S. federal income tax liability, provided the required information is timely furnished to the IRS. The information reporting requirements may apply regardless of whether backup withholding is required.

U.S. Federal Income Tax Consequences of Alternative Treatment of the Merger or the Class V Common Stock

As discussed above, the Class V Common Stock received by EMC shareholders in exchange for their shares of EMC common stock pursuant to the merger should be treated as common stock of Denali. Each of EMC s and Denali s obligation to complete the merger is conditioned upon the receipt of opinions from their respective counsel as to this treatment. However, as discussed above, there are, no Internal Revenue Code provisions, U.S.

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federal income tax regulations, court decisions or published IRS rulings directly addressing the characterization of stock with characteristics similar to the Class V Common Stock, and the IRS could take a different view. If the IRS were to be successful in any such contention, the U.S. federal income tax treatment of the Class V Common Stock would be uncertain. It is possible that the IRS could assert that the Class V Common Stock is property other than common stock of Denali. Accordingly, EMC shareholders are urged to consult their tax advisors regarding the U.S. federal income tax consequences of holding the Class V Common Stock.

If for any reason the Class V Common Stock were to fail to be treated as common stock of Denali, then:

- each EMC shareholder would recognize gain or loss with respect to such shareholder s shares of EMC common stock equal to the difference between (1) the sum of the fair market value of the Class V Common Stock and cash received pursuant to the merger and (2) the shareholder s basis in the EMC common stock exchanged, and the foregoing would also result if the merger were to fail to qualify as an exchange described in Section 351 of the Internal Revenue Code for any other reason;

- EMC may be required to recognize gain for U.S. federal income tax purposes in an amount equal to the excess of the fair market value of the VMware common stock that are tracked by the Class V Common Stock over EMC s basis in such VMware common stock, which liability would be allocated to the Class V Group pursuant to the Denali Tracking Stock Policy if such tax liability is imposed as a result of a change in tax law under certain circumstances, and would be allocated to the DHI Group in all other circumstances; and

- Denali may no longer be able to file consolidated U.S. federal income tax returns that include VMware, which could require Denali to file amended tax returns and pay additional taxes.

The preceding discussion is not a complete analysis or discussion of all potential tax effects that may be important to you. Thus, you are strongly encouraged to consult your tax advisor as to the specific tax consequences resulting from the merger, including tax return reporting requirements, the applicability and effect of federal, state, local, and other tax laws and the effect of any proposed changes in the tax laws.

Accounting Treatment

The merger will be accounted for using the purchase method of accounting under GAAP. Under this method of accounting, Denali will record the assets acquired and liabilities assumed of EMC as of the effective time of the merger at their fair market values. Any difference between the purchase price and the fair market value of the net tangible and identifiable intangible assets and liabilities is recorded as goodwill which will not be amortized for financial accounting purposes, but will be evaluated annually for impairment. Financial statements of Denali issued after the merger will reflect such values and will not be restated retroactively to reflect the historical financial position or results of operations of EMC.

Exchange of Shares in the Merger

Denali will appoint an exchange agent to process the payment of the merger consideration, including the exchange of EMC common stock for Class V Common Stock. At or prior to the effective time of the merger, Denali will deposit, or cause to be deposited, with the exchange agent, for the benefit of the holders of shares of EMC common stock, the merger consideration, consisting of an aggregate number of shares of Class V Common Stock to be issued in uncertificated form or book-entry form and an aggregate amount of cash, required to be delivered in respect of shares of EMC common stock. Each share of EMC common stock (other than shares owned by Denali, Merger Sub, EMC or any of its wholly owned subsidiaries, and other than shares with respect to which EMC shareholders are entitled to and properly exercise appraisal rights) automatically will be converted into the right to receive the merger consideration without the need for any action by the holders of such stock.

As promptly as reasonably practicable after the effective time of the merger, Denali will cause the exchange agent to mail to each holder of record of EMC common stock a letter of transmittal specifying that delivery will be effected and risk of loss and title to any certificates representing shares of EMC common stock shall pass only upon delivery of such certificates to the exchange agent. The letter will also include instructions explaining the procedure for surrendering EMC stock certificates, if any, in exchange for the merger consideration.

EMC shareholders will not receive any fractional shares of Class V Common Stock in the merger. Instead, each EMC shareholder will be entitled to receive a cash payment in lieu of any fractional shares of Class V Common Stock it otherwise would have received pursuant to the merger equal to the product obtained by multiplying (1) the fractional share interest to which such holder would otherwise be entitled (after taking into account all shares of EMC common stock exchanged by such holder) by (2) the average closing price of a share of VMware Class A Common Stock over the 10-trading day period prior to the effective time of the merger.

After the effective time of the merger, shares of EMC common stock will no longer be outstanding, will automatically be canceled and will cease to exist, and certificates that previously represented shares of EMC common stock will represent only the right to receive the merger consideration as described above. Until holders of EMC common stock have surrendered their shares to the exchange agent for exchange, those holders will not receive dividends or distributions declared or made with respect to shares of Class V Common Stock with a record date after the effective time of the merger. However, upon the surrender of their shares of EMC common stock, such holders will receive the amount of dividends or other distributions with respect to shares of Class V Common Stock theretofore paid with a record date after the effective time of the merger.

Denali and the exchange agent are entitled to deduct and withhold any applicable taxes from any merger consideration that would otherwise be payable.

After the effective time of the merger, EMC will not register any transfers of the shares of EMC common stock.

Treatment of EMC Equity Awards

The merger agreement provides that each currently outstanding EMC stock option will vest and become fully exercisable prior to the vesting effective time of the merger. Each EMC stock option that remains outstanding immediately prior to the vesting effective time of the merger will be automatically exercised immediately prior to the vesting effective time of the merger on a net exercise basis, such that shares of EMC common stock with a value equal to the aggregate exercise price and applicable tax withholding will reduce the number of shares of EMC common stock otherwise issuable. Each such holder of a net exercised EMC stock option will thereafter be entitled to receive the merger consideration with respect to the whole net number of shares of EMC common stock issued upon such net exercise, together with cash in lieu of any fractional shares of EMC common stock. The merger agreement also provides that immediately prior to the vesting effective time of the merger each currently outstanding EMC restricted stock unit and share of EMC restricted stock will fully vest (with performance vesting units vesting at the target level of performance) and the holder will become entitled to receive the merger consideration with respect to the whole net number of shares of EMC common stock subject to the award (which shall be calculated net of the number of shares withheld in respect of taxes upon the vesting of the award), together with cash in lieu of any fractional shares of EMC common stock. The merger agreement provides that Denali may agree with individual award recipients to different treatment with respect to equity awards made prior to the execution of the merger agreement. No such agreements were in effect as of the date of this proxy statement/prospectus.

Dividends and Share Repurchases

EMC currently pays a quarterly cash dividend of $0.115 per share of EMC common stock. EMC intends to continue its current dividend practices through the completion of the merger. Under the terms of the merger agreement, during the period before completion of the merger, EMC will not, and will not permit any EMC subsidiary, to declare, set aside or pay any dividend on, or make any other distributions (whether in cash, stock or

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property or any combination thereof) in respect of, any of its capital stock, other equity interests or voting securities, other than (1) EMC s regular quarterly cash dividends of $0.115 per share payable in respect of shares of EMC common stock with declaration, record and payment dates consistent with past practice and in accordance with EMC s current dividend policy and (2) dividends and distributions by a direct or indirect wholly owned subsidiary of EMC to EMC. EMC has currently suspended share repurchases.

Listing of Shares of Class V Common Stock and Delisting and Deregistration of EMC Common Stock

Under the terms of the merger agreement, Denali is required to use its reasonable best efforts to cause the shares of Class V Common Stock to be issued in the merger to be approved for listing on the NYSE or Nasdaq, subject to official notice of issuance, prior to the closing of the merger. It is a condition to EMC s obligations to complete the merger that such approval is obtained, subject to official notice of issuance. Accordingly, application will be made to have the shares of Class V Common Stock to be issued in the merger approved for listing on the NYSE under the symbol DVMT.

If the merger is completed, there will no longer be any publicly held shares of EMC common stock. Accordingly, EMC common stock will no longer be listed on the NYSE and will be deregistered under the Exchange Act.

On April 27, 2016, new listing standards proposed by the NYSE for Equity Investment Tracking Stock were published for public comment and approval by the SEC, and were amended in a filing by the NYSE with the SEC on May 17, 2016. The proposed new listing standards would allow for the listing of the Class V Common Stock. Although Denali expects that such listing standards will be adopted in their proposed form, no assurance can be given in that regard. If the shares of Class V Common Stock issuable to EMC shareholders have not been approved for listing on the NYSE, subject to official notice of issuance, a condition to EMC s obligation to complete the merger will not have been satisfied.

If adopted in the form currently proposed, the new listing standards published by the NYSE would provide that the Class V Common Stock could be delisted from the NYSE if:

- the Class A common stock of VMware ceases to be listed on the NYSE;
- Denali ceases to own, directly or indirectly, at least 50% of either the economic interest or the voting power of all of the outstanding classes of common equity of VMware; or
- the Class V Common Stock ceases to track the performance of the Class A common stock of VMware.

If any of the foregoing conditions were no longer met at any time, the NYSE would determine whether the Class V Common Stock could meet any other applicable initial listing standard in place at that time. If the Class V Common Stock did not qualify for initial listing at that time under another applicable listing standard, the NYSE would commence delisting proceedings. Furthermore, if trading in the Class A common stock of VMware were suspended or delisting proceedings were commenced with respect to such security, trading in the Class V Common Stock would be suspended or delisting proceedings would be commenced with respect to the Class V Common Stock at the same time. Any delisting of the Class V Common Stock would materially adversely affect the liquidity and value of the Class V Common Stock.

Company Headquarters

Following the completion of the merger, Dell s headquarters will remain in Round Rock, Texas, and the headquarters of the combined enterprise systems business of Dell and EMC will be located in Hopkinton, Massachusetts.

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Litigation Relating to the Merger

Various combinations of EMC, its current and former directors, VMware, certain of VMware s directors, Denali, Dell, and Merger Sub, among others, have been named as defendants in a number of putative class-action lawsuits brought by purported EMC and VMware shareholders challenging the merger, some of which have been dismissed. The suits are captioned as follows:

	Case	*Court*	*Filing Date*
1.	IBEW Local No. 129 Benefit Fund v. Tucci, Civ. No. 1584-3130-BLS1	Mass. Superior Court, Suffolk County	10/15/2015
2.	Barrett v. Tucci, Civ. No. 15-6023-A	Mass. Superior Court, Middlesex County	10/16/2015
3.	Graulich v. Tucci, Civ. No. 1584-3169-BLS1	Mass. Superior Court, Suffolk County	10/19/2015
4.	Vassallo v. EMC Corp., Civ. No. 1584-3173-BLS1	Mass. Superior Court, Suffolk County	10/19/2015
5.	City of Miami Police Relief & Pension Fund v. Tucci, Civ. No. 1584-3174-BLS1	Mass. Superior Court, Suffolk County	10/19/2015
6.	Lasker v. EMC Corp., Civ. No. 1584-3214-BLS1	Mass. Superior Court, Suffolk County	10/23/2015
7.	Walsh v. EMC Corp., Civ. No. 15-13654	U.S. District Court, District of Massachusetts	10/27/2015
8.	Local Union No. 373 U.A. Pension Plan v. EMC Corp., Civ. No. 1584-3253-BLS1	Mass. Superior Court, Suffolk County	10/28/2015
9.	City of Lakeland Emps. Pension & Ret. Fund v. Tucci, Civ. No. 1584-3269-BLS1	Mass. Superior Court, Suffolk County	10/28/2015
10.	Ma v. Tucci, Civ. No. 1584-3281-BLS1	Mass. Superior Court, Suffolk County	10/29/2015
11.	Stull v. EMC Corp., Civ. No. 15-13692	U.S. District Court, District of Massachusetts	10/30/2015
12.	Jacobs v. EMC Corp., Civ. No. 15-6318-H	Mass. Superior Court, Middlesex County	11/12/2015
13.	Ford v. VMware, Inc.,	Delaware Chancery Court	11/17/2015

	C.A. No. 11714-VCL		
14.	Pancake v. EMC Corp., Civ. No. 16-10040	U.S. District Court, District of Massachusetts	1/11/2016
15.	Booth Family Trust v. EMC Corp. Civ. No. 16-10114	U.S. District Court, District of Massachusetts	1/26/2016

The fifteen lawsuits seek, among other things, injunctive relief enjoining the merger, rescission of the merger if consummated, an award of fees and costs, and/or an award of damages.

The complaints in the first nine lawsuits filed in the Massachusetts Superior Court (the IBEW, Barrett, Graulich, Vassallo, City of Miami Police Relief & Pension Fund, Lasker, Local Union No. 373 U.A. Pension Plan, City of Lakeland Emps. Pension & Ret. Fund, and Ma actions) generally allege that the directors of EMC breached their fiduciary duties to EMC shareholders in connection with the merger by, among other things, failing to maximize shareholder value and agreeing to provisions in the merger agreement that favor Dell and discourage competing bids. The complaints generally further allege that there were various conflicts of interest in the proposed transaction. Several of the complaints also allege that various combinations of defendants aided and abetted these alleged breaches of fiduciary duties.

On October 27, 2015, EMC and its directors served a motion to dismiss the amended complaint in the first-filed case in the Massachusetts Superior Court, the IBEW action, on the grounds that the amended complaint asserts claims that are derivative and subject to the demand requirement set forth in M.G.L. c. 156D § 7.42, with which the plaintiff failed to comply.

On November 5, 2015, the Business Litigation Session of the Massachusetts Superior Court granted EMC and its directors motion for consolidation of the IBEW action with eight other actions then pending in the Massachusetts Superior Court (the Barrett, Graulich, Vassallo, City of Miami Police Relief & Pension Fund, Lasker, Local Union No. 373 U.A. Pension Plan, City of Lakeland Emps. Pension & Ret. Fund, and Ma actions).

On December 7, 2015, the Business Litigation Session of the Massachusetts Superior Court granted EMC and its directors motion to dismiss the IBEW action and the eight other consolidated actions (the Barrett, Graulich, Vassallo, City of Miami Police Relief & Pension Fund, Lasker, Local Union No. 373 U.A. Pension Plan, City of Lakeland Emps. Pension & Ret. Fund, and Ma actions).

On December 24, 2015, the Business Litigation Session of the Massachusetts Superior Court entered judgments dismissing each of the consolidated actions. On January 21, 2016, three plaintiffs filed a notice appealing the judgment of dismissal. On April 29, 2016, the appeal was docketed in the Massachusetts Appeals Court as case number 2016-P-0595. On May 2, 2016, the appellants filed an application for direct appellate review in the Massachusetts Supreme Judicial Court as Direct Appellate Review No. DAR-24347. The appellees filed oppositions to that application on May 11 and 12, 2016.

The originally filed complaints in the seventh and eleventh lawsuits listed above (Walsh and Stull) generally allege that the directors of EMC breached their fiduciary duties to EMC shareholders in connection with the merger by, among other things, failing to maximize shareholder value and agreeing to provisions in the merger agreement that favor Dell and discourage competing bids. The complaints generally further allege that there were various conflicts of interest in the proposed transaction and that various combinations of defendants aided and abetted these alleged breaches of fiduciary duties.

On November 5, 2015, EMC and its directors filed motions to stay or dismiss the Walsh and Stull actions on the grounds that (1) staying or dismissing these cases, which were filed after several of the actions filed in the Massachusetts Superior Court, would be appropriate under the doctrine set forth in Colorado River Water Conservation District v. United States, 424 U.S. 800 (1976); and (2) the plaintiffs in each case had failed to plead facts sufficient to show that the matter in controversy exceeds $75,000, as required for the federal court to have subject matter jurisdiction under 28 U.S.C. § 1332(a).

On January 11, 2016, the plaintiffs in the Walsh and Stull actions opposed the motions to stay or dismiss and filed amended class action complaints asserting claims against EMC and its current and former directors, generally alleging that the preliminary proxy statement omits and/or misrepresents material information and that such failure to disclose constitutes violations of Section 14(a) of, and Rule 14a-9 under, the Exchange Act. The amended complaints also allege that various combinations of defendants are liable for violations of Section 20(a) of the 1934 Act. The amended complaints did not include the claims included in the original complaint for alleged breaches of fiduciary duty. On February 4, 2016, EMC and its directors withdrew their motions to stay or dismiss the Walsh and Stull actions, without prejudice to or waiver of the arguments asserted, in light of the amended complaints. The parties have agreed that defendants will move, answer, or otherwise respond to the amended complaints by June 6, 2016.

The originally filed complaints in the twelfth and thirteenth lawsuits listed above (Jacobs and Ford) generally allege that EMC, in its capacity as the majority shareholder of VMware, and individual defendants who are directors of EMC, VMware, or both, breached their fiduciary duties to minority shareholders of VMware in connection with the merger by, among other things, entering into and/or approving a merger that favors the interests of EMC and Dell at the expense of the minority shareholders. The Ford complaint further alleges that various combinations of defendants aided and abetted these alleged breaches of fiduciary duties.

On December 8, 2015, certain VMware directors named as defendants in the Ford action and EMC filed a motion in the Delaware Court of Chancery to dismiss the Ford action, including on the grounds that the complaint in that action failed to state a claim upon which relief can be granted, and for failure to make a requisite demand.

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On February 12, 2016, with leave from the court, the plaintiff in the Ford action filed an amended complaint. In the amended complaint, plaintiff generally alleges that, in connection with the proposed transaction, VMware s directors and EMC breached their fiduciary duties owed to VMware stockholders. Additionally, plaintiff alleges that, having entered into the proposed transaction, Dell and Denali, as now VMware s de facto controlling stockholders, breached (or in the alternative aided and abetted breaches of) fiduciary duties of loyalty and care owed to VMware stockholders. Plaintiff also alleges that Merger Sub aided and abetted the alleged breaches of fiduciary duties.

Various combinations of defendants filed motions to dismiss the amended complaint in the Ford action on February 26 and 29, 2016, including on the grounds that the complaint in that action failed to state a claim upon which relief can be granted, and for failure to make a requisite demand. In orders dated March 16, 2016, and April 18, 2016, the court dismissed a total of three former directors of VMware from the Ford action without prejudice pursuant to stipulations. On April 19, 2016, certain of the defendants filed briefs in support of the previously filed motions to dismiss in the Ford action.

On December 10, 2015, the defendants in the Jacobs action served a motion pursuant to M.G.L. c. 223A § 5 to dismiss the complaint in the Jacobs action (or, alternatively, to stay the proceedings in that action) on the ground that it is in the interest of justice that that action should be heard in a Delaware forum.

On January 22, 2016, the plaintiff in the Jacobs action filed and served a first amended complaint generally alleging that EMC and certain of its directors breached their fiduciary duties owed to shareholders. The amended complaint also alleges that various defendants aided and abetted these alleged breaches of fiduciary duties. On February 5, 2016, in light of the filing of the first amended complaint, the defendants in the Jacobs action withdrew without prejudice their pending motion to dismiss or stay.

On March 7, 2016, various combinations of defendants served motions to dismiss the complaint in the Jacobs action (or, alternatively, to stay the proceedings in that action), including on the grounds that it is in the interest of justice that that action should be heard in a Delaware forum, for failure to state a claim upon which relief can be granted, and for failure to make a requisite demand. On the same day, certain VMware directors named as defendants in the Jacobs action and EMC served a motion to stay discovery pending resolution of the motion to dismiss or stay proceedings in the Jacobs action.

The originally filed complaint in the fourteenth lawsuit listed above (Pancake) generally alleges that the directors of EMC breached their fiduciary duties to EMC shareholders in connection with the merger by, among other things, failing to maximize shareholder value and agreeing to provisions in the merger agreement that favor Dell and discourage competing bids. The complaint generally further alleges that there were various conflicts of interest in the proposed transaction and that various combinations of defendants aided and abetted these alleged breaches of fiduciary duties. Additionally, the complaint alleges that the preliminary proxy statement omits and/or misrepresents material information and that such failure to disclose constitutes violations of Section 14(a) of, and Rule 14a-9 under, the Exchange Act. The complaint further alleges that various combinations of defendants are liable for violations of Section 20(a) of the Exchange Act.

On February 11, 2016, the plaintiff in the Pancake action filed a first amended complaint. Similar to the originally filed complaint, the amended complaint generally alleges that the preliminary proxy statement omits and/or misrepresents material information and that such failure to disclose constitutes violations of Section 14(a) of, and Rule 14a-9 under, the Exchange Act. The complaint further alleges that various combinations of defendants are liable for violations of Section 20(a) of the Exchange Act. The amended complaint does not include the claims included in the original complaint for alleged breaches of fiduciary duty. The parties have agreed that defendants will move, answer, or otherwise respond to the amended complaint by June 6, 2016.

The complaint in the fifteenth lawsuit listed above (Booth Family Trust) generally alleges that that the preliminary proxy statement omits and/or misrepresents material information and that such failure to disclose

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constitutes violations of Section 14(a) of, and Rule 14a-9 under, the Exchange Act. The complaint also alleges that various combinations of defendants are liable for violations of Section 20(a) of the Exchange Act.

On April 1, 2016, the plaintiff in the Stull action filed a motion pursuant to the Private Securities Litigation Reform Act for consolidation of the Walsh, Stull, Pancake and Booth Family Trust actions and for his appointment as lead plaintiff and his counsel s appointment as lead and liaison counsel. The court granted that motion on April 26, 2016.

Additional lawsuits arising out of or relating to the merger agreement or the merger may be filed in the future.

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THE MERGER AGREEMENT

The following summarizes the material provisions of the merger agreement. This summary does not purport to be complete and may not contain all of the information about the merger agreement that is important to you. The rights and obligations of the parties to the merger agreement are governed by the express terms and conditions of the merger agreement and not by this summary or any other information contained in this proxy statement/prospectus. EMC shareholders are urged to read the merger agreement carefully and in its entirety, as well as this proxy statement/prospectus, before making any decisions regarding the merger. This summary is qualified in its entirety by reference to the merger agreement, a copy of which is attached as *Annex A* to this proxy statement/prospectus and is incorporated by reference herein.

In reviewing the merger agreement and this summary, please remember that they have been included to provide you with information regarding the terms of the merger agreement and are not intended to provide any other factual information about Denali, EMC or any of their respective subsidiaries or affiliates. The merger agreement contains representations and warranties and covenants by each of Denali and EMC, which are summarized below. These representations and warranties have been made solely for the benefit of the other parties to the merger agreement and:

- were not intended as statements of fact, but rather as a way of allocating the risk to one of Denali and EMC if those statements prove to be inaccurate;

- have been qualified by certain confidential disclosures that were made to the other party in connection with the negotiation of the merger agreement, which disclosures are not reflected in the merger agreement; and

- may apply standards of materiality in a way that is different from what may be viewed as material by you or other investors.

Moreover, information concerning the subject matter of the representations and warranties in the merger agreement and described below may have changed since the date of the merger agreement, and subsequent developments or new information qualifying a representation or warranty may have been included in this proxy statement/prospectus. In addition, if specific material facts arise that contradict the representations and warranties in the merger agreement, Denali or EMC, as applicable, will disclose those material facts in the public filings that it makes with the SEC if it determines that it has a legal obligation to do so. Accordingly, the representations and warranties and other provisions of the merger agreement should not be read alone, but instead should be read together with the information provided elsewhere in this proxy statement/prospectus and in the documents incorporated by reference into this proxy statement/prospectus. See *Where You Can Find More Information* for information on how you can obtain copies of the incorporated documents or view them via the Internet.

Effect of the Merger

Upon the terms and subject to the conditions set forth in the merger agreement and in accordance with the MBCA and the DGCL, at the effective time of the merger, Merger Sub will be merged with and into EMC. EMC will survive the merger as a wholly owned subsidiary of Denali and will continue its corporate existence under Massachusetts law.

Closing

The closing will occur on the third business day after the satisfaction or waiver (to the extent permitted by law) of all closing conditions, except that the closing shall not occur until the earlier to occur of (1) a business day during the marketing period specified by Denali upon a minimum of three business days advance written notice and (2) the first business day following the marketing period.

For purposes of the merger agreement, marketing period means the first period of 20 consecutive business days commencing after October 12, 2015 and throughout and at the end of which (a) Denali shall have received the information required to be furnished by EMC in connection with the financing, referred to as the required information, and (b)(i) the conditions to Denali s obligation to close the merger are satisfied (other than those conditions that by their nature are to be satisfied at the closing of the merger, but subject to those conditions being capable of being satisfied at such time), except that if on the date that is 30 business days prior to December 16, 2016, all of such conditions are satisfied except for the closing conditions related to the lack of illegality or injunction, expiration of antitrust waiting periods or receipt of required competition consents from certain jurisdictions, referred to as the excluded conditions, and no excluded condition is incapable of being satisfied on or prior to December 16, 2016, the satisfaction of the excluded conditions shall not be required in order to commence or continue the marketing period as long as all other prerequisites to commencing and continuing the marketing period have been satisfied (it being understood that such marketing period shall be deemed to have commenced no earlier than such date that is 30 business days prior to December 16, 2016), and (ii) nothing has occurred and no condition exists that entitles Denali to terminate the merger agreement due to the breach by EMC of the merger agreement, except that the marketing period shall end on any earlier date that is the date on which the proceeds of the debt financing for the merger are obtained in full, and except that (x) such 20 consecutive business day period shall only occur within any of the following time periods: (i) beginning on January 4, 2016 and ending on (and including) February 8, 2016, (ii) beginning on March 24, 2016 and ending on (and including) May 9, 2016, (iii) beginning on May 10, 2016 and ending on (and including) June 11, 2016, (iv) beginning June 3, 2016 and ending on (and including) August 8, 2016, (v) beginning on August 9, 2016 and ending on (and including) September 10, 2016, (vi) beginning on September 12, 2016 and ending on (and including) November 8, 2016, and (vii) beginning on November 9, 2016 and ending on (and including) December 10, 2016, (y) the marketing period shall either end on or prior to August 19, 2016 or, if the marketing period has not ended on or prior to August 19, 2016, then the marketing period shall commence no earlier than September 6, 2016, and (z) the marketing period shall not be deemed to have commenced if (A) after October 12, 2015 and prior to the completion of the marketing period, (I) PricewaterhouseCoopers LLP shall have withdrawn its audit opinion with respect to any of the financial statements contained in any documents filed or furnished by EMC or VMware with the SEC, in which case the marketing period shall not be deemed to commence unless and until a new unqualified audit opinion is issued with respect to such financial statements by PricewaterhouseCoopers LLP or another independent accounting firm reasonably acceptable to Denali, (II) the financial statements included in the required information that is available to Denali on the first day of any such 20 consecutive business day period are not, during each day of such period, the most recent consolidated financial statements of EMC on which EMC s independent accountants have performed and completed an audit or review as described in AU Section 722, Interim Financial Information, then the marketing period shall not be deemed to commence until the receipt by Denali of such most recent consolidated financial statements, (III) the required information, when taken as a whole along with any documents filed or furnished by EMC with the SEC, contain any untrue statement of material fact or omit to state any material fact necessary in order to make the statements contained therein not misleading, in which case the marketing period shall not be deemed to commence unless and until such required information and documents filed or furnished by EMC with the SEC have been updated so that there is no longer any such untrue statement or omission, or (IV) EMC or any of its subsidiaries shall have announced any intention to restate any historical financial statements of EMC or any of its subsidiaries or other financial information included in the required information or that any such restatement is under consideration or may be a possibility, in which case the marketing period shall not be deemed to commence unless and until such restatement has been completed and the applicable required information has been amended or EMC has announced that it has concluded no such restatement shall be required, or (B) EMC or any of its subsidiaries shall have been delinquent in filing or furnishing any document required to be filed or furnished with the SEC, in which case, the marketing period shall not be deemed to have commenced unless and until, at the earliest, all such delinquencies have been cured. If EMC shall in good faith reasonably believe that (1) clause (b) to the definition of marketing period has been satisfied and (2) it has delivered the required information that satisfies the requirements of clause (z) of the proviso to such definition, it may give to Denali a written notice to that effect, in which case EMC shall be deemed to have complied with clauses (1) and (2) sufficient to commence the marketing period, unless Denali in good faith reasonably believes EMC has not so

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complied, and within eight business days after the giving of such notice by EMC, gives a written notice to EMC to that effect (stating with specificity which elements of clauses (1) and (2) have not been complied with, including whether required information has not been delivered by EMC or does not satisfy the requirements of clause (z) of the proviso to such definition).

Effective Time

The merger will become effective at the time at which articles of merger has been duly filed with the Secretary of State of the Commonwealth of Massachusetts and a certificate of merger has been filed with the Secretary of State of the State of Delaware or at such later time as is agreed upon by the parties and specified in the articles of merger and the certificate of merger.

Merger Consideration

At the effective time of the merger, each share of EMC common stock issued and outstanding immediately prior to the effective time of the merger (other than shares owned by Denali, Merger Sub or any of EMC s wholly owned subsidiaries, and other than shares with respect to which appraisal rights are properly exercised and not withdrawn) automatically will be converted into the right to receive the merger consideration, consisting of (1) $24.05 in cash, without interest, and (2) a number of validly issued, fully paid and non-assessable shares of Class V Common Stock equal to the quotient (rounded to the nearest five decimal points) obtained by dividing (A) 222,966,450 by (B) the aggregate number of shares of EMC common stock issued and outstanding immediately prior to the effective time of the merger, plus cash in lieu of any fractional shares.

EMC shareholders will not receive any fractional shares of Class V Common Stock in the merger. Instead, each EMC shareholder will be entitled to receive a cash payment in lieu of any fractional shares of Class V Common Stock it otherwise would have received pursuant to the merger equal to the product obtained by multiplying (1) the fractional share interest to which such holder would otherwise be entitled (after taking into account all shares of EMC common stock formerly held by such shareholder) by (2) the average closing price of a share of VMware Class A Common Stock over the 10 trading day period prior to the effective time of the merger.

Representations and Warranties

The merger agreement contains representations and warranties made by and to the parties thereto as of specific dates. The assertions embodied in those representations and warranties were made for purposes of the merger agreement and are subject to qualifications and limitations agreed to by the respective parties in connection with negotiating the terms of the merger agreement. In addition, certain representations and warranties were made as of a specified date, may be subject to a contractual standard of materiality different from what might be viewed as material to shareholders, or may have been used for the purpose of allocating risk between the respective parties rather than establishing matters as facts. For the foregoing reasons, you should not rely on the representations and warranties as statements of factual information.

The merger agreement contains the following reciprocal representations and warranties made by Denali, Dell and Merger Sub, on the one hand, and EMC on the other hand, subject in some cases to specified exceptions and qualifications, relating to a number of matters, including the following:

the organization, valid existence, good standing and qualification to do business of such party and its subsidiaries;

corporate authorization and validity of the merger agreement;

the approval by such party s board of directors of the merger agreement and the transactions contemplated by the merger agreement;

the absence of any conflicts with such party s organizational documents, applicable laws, governmental orders or certain agreements as a result of entering into the merger agreement and completing the merger;

the required consents and filings with governmental entities in connection with the transactions contemplated by the merger agreement;

the accuracy of information supplied by such party in connection with this proxy statement/prospectus and the registration statement of which it is a part;

the absence of certain litigation and investigations; and

brokers and financial advisors fees related to the merger.

EMC has also made certain representations and warranties relating to:

ownership of each of its significant subsidiaries;

the capitalization and indebtedness of EMC and its subsidiaries (including VMware), including the number of shares of common stock, stock options and other equity-based awards outstanding;

the timely filing of documents required to be filed with the SEC since January 1, 2014 and the accuracy of information contained in those documents;

the conformity with generally accepted accounting principles of such party s financial statements filed with the SEC since January 1, 2014 and the absence of certain undisclosed liabilities;

the timely filing by VMware of documents required to be filed with the SEC since January 1, 2014 and the accuracy of information contained in those documents;

the conformity with generally accepted accounting principles of VMware s financial statements filed with the SEC since January 1, 2014 and the absence of certain undisclosed liabilities;

the absence of a material adverse effect (as described below) since January 1, 2015;

compliance with certain material contracts;

compliance with applicable laws, including the Foreign Corrupt Practices Act and applicable export control laws;

employment and labor matters affecting EMC and its subsidiaries, including matters relating to employee benefit plans and the absence of parachute gross ups;

tax matters;

tax treatment of the merger under Section 351 of the Internal Revenue Code;

real and personal property and intellectual property matters;

the absence of affiliate transactions;

insurance matters;

environmental matters;

the required vote by EMC s shareholders to complete the merger;

the inapplicability of takeover statutes to the merger agreement, the merger or the transactions contemplated by the merger agreement; and

the receipt of the opinions from Morgan Stanley and Evercore by the EMC board of directors, as to the fairness, from a financial point of view, of the merger consideration to the holders of EMC common stock.

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Denali, Dell and Merger Sub have also made certain representations and warranties relating to:

- foreign control, ownership or influence of EMC following the completion of the merger;
- the financing that has been committed in connection with the merger;
- absence of issued and outstanding shares of Class V Common Stock prior to the completion of the merger;
- the provision of certain audited and unaudited financial statements of Denali and Dell and the accuracy of information contained therein;
- the conformity with generally accepted accounting principles of Denali s and Dell s financial statements and the absence of certain undisclosed liabilities;
- the capitalization of Merger Sub;
- the solvency of Denali, Dell and Merger Sub; and
- tax treatment of the merger under Section 351 of the Internal Revenue Code.

Certain of the representations and warranties made by the parties are qualified as to knowledge, materiality or material adverse effect.

For purposes of the merger agreement, material adverse effect, when used in reference to EMC, means any event, development, circumstance, change, effect or occurrence that, individually or in the aggregate with all other events, developments, circumstances, changes, effects or occurrences, has a material adverse effect on or with respect to the business, assets, liabilities, results of operations or financial condition of EMC and its subsidiaries, taken as a whole.

However, no events, developments, circumstances, changes, effects or occurrences to the extent arising out of or resulting from any of the following shall be deemed, either alone or in combination, to constitute or contribute to a material adverse effect:

- changes or conditions generally affecting the industries in which EMC and its subsidiaries operate;
- general changes or developments in the economy or the financial, debt, capital, credit or securities markets in the United States or elsewhere in the world, including as a result of changes in geopolitical conditions;

the negotiation, execution, delivery or performance of the merger agreement, the identity of Denali, or the public announcement, pendency or completion of the merger agreement or the merger or the other transactions contemplated thereby (including the effect thereof on relationships, contractual or otherwise, of EMC or any of its subsidiaries with employees, customers, suppliers, partners or governmental entities), and including any litigation related to the merger agreement or the transactions contemplated thereby or any demand, action, claim or proceeding for appraisal of the fair value of any shares of EMC common stock pursuant to the MBCA in connection with the merger agreement;

changes in any applicable laws or regulations or applicable accounting regulations or principles or interpretation thereof, in each case, unrelated to the transactions contemplated by the merger agreement;

any hurricane, tornado, earthquake, flood, tsunami or other natural disaster or outbreak or escalation of hostilities or war (whether or not declared), military actions or any act of sabotage or terrorism, or any change in general national or international political or social conditions;

any change in the price or trading volume of EMC common stock or VMware common stock or the credit rating of EMC or VMware, in and of itself;

any failure by EMC or VMware to meet any published analyst estimates or expectations of EMC s or VMware s revenue, earnings or other financial performance or results of operations for any period, or any failure by EMC or VMware to meet its internal or published projections, budgets, plans or forecasts of its revenues, earnings or other financial performance or results of operations, in and of itself; or

compliance with the terms of, or the taking of any action expressly required by, the merger agreement. However, with respect to the first, second, fourth and fifth bullets above, such events, developments, circumstances, changes, effects or occurrences may be taken into account to the extent EMC and its subsidiaries, taken as a whole, are disproportionately affected thereby as compared with other participants in the industries in which EMC and its subsidiaries operate and, with respect to the sixth and seventh bullets above, the provisions described therein shall not prevent or otherwise affect a determination that any events, developments, circumstances, changes, effects or occurrences underlying any such change or failure constitute or contribute to a material adverse effect.

For purposes of the merger agreement, parent material adverse effect, when used in reference to Denali, means any event, development, circumstance, change, effect or occurrence that, individually or in the aggregate with all other events, developments, circumstances, changes, effects or occurrences, has a material adverse effect on or with respect to the business, assets, liabilities, results of operations or financial condition of Denali and its subsidiaries, taken as a whole.

However, no events, developments, circumstances, changes, effects or occurrences to the extent arising out of or resulting from any of the following shall be deemed, either alone or in combination, to constitute or contribute to a parent material adverse effect:

changes or conditions generally affecting the industries in which Denali and its subsidiaries operate;

general changes or developments in the economy or the financial, debt, capital, credit or securities markets in the United States or elsewhere in the world, including as a result of changes in geopolitical conditions;

the negotiation, execution, delivery or performance of the merger agreement, the identity of EMC or VMware, or the public announcement, pendency or the completion of the merger agreement or the merger or the other transactions contemplated thereby (including the effect thereof on relationships, contractual or otherwise, of Denali or any of its subsidiaries with employees, customers, suppliers, partners or governmental entities), and including any transaction litigation to the extent Denali or its subsidiaries is a defendant thereto;

changes in any applicable laws or regulations or applicable accounting regulations or principles or interpretation thereof, in each case, unrelated to the transactions contemplated by the merger agreement;

any hurricane, tornado, earthquake, flood, tsunami or other natural disaster or outbreak or escalation of hostilities or war (whether or not declared), military actions or any act of sabotage or terrorism, or any change in general national or international political or social conditions;

any failure by Denali to meet any published analyst estimates or expectations of Denali s revenue, earnings or other financial performance or results of operations for any period, or any failure by Denali to meet its internal or published projections, budgets, plans or forecasts of its revenues, earnings or other financial performance or results of operations, in and of itself; or

compliance with the terms of, or the taking of any action expressly required by, the merger agreement. However, with respect to the first, second, fourth and fifth bullets above, such events, developments, circumstances, changes, effects or occurrences may be taken into account to the extent Denali and its subsidiaries, taken as a whole, are disproportionately affected thereby as compared with other participants in the industries in which Denali and its subsidiaries operate and, with respect to the sixth bullet above, the provisions described therein shall not prevent or otherwise affect a determination that any events, developments, circumstances, changes, effects or occurrences underlying any such change or failure constitute or contribute to a parent material adverse effect.

The representations and warranties of each of the parties to the merger agreement will expire upon the effective time of the merger.

Conduct of Business

Conduct of Business by EMC

EMC agreed that, prior to the effective time of the merger, unless Denali gives its prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) or as otherwise required by applicable law or as required or expressly permitted or contemplated by the merger agreement, EMC shall and shall cause its subsidiaries (other than VMware and Pivotal) to:

- use commercially reasonable efforts to carry on its business in the ordinary course consistent with past practice; and

- use commercially reasonable efforts to preserve in all material respects its current business organizations and goodwill, keep available the services of its current officers, employees and consultants and preserve in all material respects its relationships with customers, suppliers, licensors, licensees, distributors and others having material business dealings with it and governmental entities having regulatory dealings with it.

EMC has also agreed that, prior to the effective time of the merger, unless Denali gives its prior written consent (which consent will not be unreasonably withheld, conditioned or delayed), or as otherwise required by applicable law or as required or expressly permitted or contemplated by the merger agreement, EMC shall not and shall cause each of its subsidiaries (other than VMware or Pivotal) not to:

- declare, set aside or pay any dividends on, or make any other distributions (whether in cash, stock or property) in respect of, any of its capital stock, other than dividends or distributions by a wholly owned subsidiary of EMC to its shareholders and except for regular quarterly dividends by EMC of up to $0.115 per share of common stock (subject to adjustment in certain circumstances) in each case with usual declaration, record and payment dates in accordance with past dividend practice;

- split, combine or reclassify any of its capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of, or in substitution for, shares of its capital stock;

- purchase, redeem or otherwise acquire any shares of its capital stock or any other securities thereof or any rights, warrants or options to acquire any such shares or other securities, except for purchases, redemptions or other acquisition of capital stock or other securities (1) required by the terms of certain EMC incentive plans or any plans, arrangements or contracts existing on the date of the merger agreement between EMC or any of its subsidiaries and directors or employees, (2) in connection with the issuance of EMC common stock upon the net exercise of EMC stock options or net settlement of restricted stock units or performance stock units or (3) in transactions solely between EMC and any of its wholly owned subsidiaries or among direct or indirect subsidiaries of EMC;

issue, deliver, sell, grant, pledge or otherwise encumber or subject to any lien (other than certain tax liens and any restrictions on transfer imposed by applicable securities laws) any shares of its capital stock, any other voting securities or any securities convertible into or exercisable for, or any rights, warrants or options to acquire, any such shares, voting securities or convertible securities, or any phantom stock, phantom stock rights, stock appreciation rights or stock based performance units (other than the issuance of EMC common stock in connection with the exercise of EMC stock options or settlement of restricted stock units or performance stock units);

amend the organizational documents of EMC and its subsidiaries;

directly or indirectly acquire (1) any person or division, business or equity interest of any person by merger, consolidation, asset purchase, investment or capital contribution, or by any other manner, or (2) any properties, rights or assets, except for (i) capital expenditures not to exceed $180 million in the aggregate in any fiscal quarter, (ii) acquisitions, investments or capital contributions not exceeding $200 million in the aggregate and (iii) purchases of marketable securities by or on behalf of EMC or its subsidiaries for cash management purposes in the ordinary course of business, consistent with past practice, and, except, in the case of clause (2), acquisitions of inventory, merchandise, products or services in the ordinary course of business, consistent with past practice;

sell, pledge, dispose of, transfer, abandon, lease, license, allow to lapse or expire, or otherwise encumber (other than as permitted under the merger agreement) any properties, rights or assets of EMC or any of its subsidiaries, except (1) sales, pledges, dispositions, transfers, abandonments, leases, licenses, lapses, expirations or encumbrances required to be effective prior to the effective time of the merger pursuant to existing contracts that are not material to EMC and its subsidiaries, taken as a whole, (2) non-material leases or licenses in the ordinary course of business consistent with past practice, (3) transactions solely among EMC and/or its wholly owned subsidiaries, (4) sales, dispositions, transfers, leases or licenses of products or services of EMC or any of its subsidiaries to third parties in the ordinary course of business consistent with past practice and (5) sales, pledges, dispositions, transfers, abandonments, leases, licenses, lapses, expirations or encumbrances of properties, rights or assets of EMC or any of its subsidiaries having a value not to exceed $125 million in the aggregate;

redeem, repurchase, prepay, defease, cancel, incur or otherwise acquire, or modify in any material respect the terms of, any indebtedness for borrowed money or assume, guarantee or endorse, or otherwise become responsible for, any such indebtedness of another person, issue or sell any debt securities or calls, options, warrants or other rights to acquire any debt securities of EMC or any of its subsidiaries, enter into any keep well or other contract to maintain any financial statement condition of another person or enter into any arrangement having the economic effect of any of the foregoing (in each case, other than indebtedness for borrowed money of no more than $200 million in the aggregate (inclusive of any prepayment premium, make-whole, penalty or similar payment) or indebtedness for borrowed money under EMC s commercial paper debt (inclusive of any prepayment premium, make-whole, penalty or similar payment) or pursuant to EMC s existing revolving credit facility (but not in excess of aggregate commitments thereunder as in effect on October 12, 2015, plus any increases in commitments permitted under the revolving credit facility as in effect on such date and inclusive of any prepayment premium, make-whole, penalty or similar payment), in each case only if such indebtedness is prepayable at closing without premium, make-whole, penalty or similar payment;

make any loans or advances to any person which would cause the aggregate principal amount of all loans and advances made by EMC and its subsidiaries (other than VMware and its subsidiaries) after October 12, 2015, to exceed $25 million;

incur any capital expenditures in excess of $180 million in the aggregate in any fiscal quarter;

(1) pay, discharge, settle or satisfy any civil, criminal or administrative actions, suits, claims, hearings, proceedings, arbitrations, mediations, audits or investigations from by or before any arbitrator, court, tribunal or other governmental entity, other than the payment, discharge, settlement or satisfaction of less than $10 million individually or $30 million in the aggregate or (2) in order to settle or satisfy any such action, waive or assign to a third party any claims or rights of EMC or any subsidiary of EMC asserted by EMC or any of its subsidiaries to have a value in excess of $10 million individually or $30 million in the aggregate, except in each case (i) as required by any court judgment and (ii) for transaction litigation related to the merger;

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(1) other than in the ordinary course of business, consistent with past practice, enter into, materially modify, terminate or cancel any material contract or waive, release or assign any material rights or claims thereunder, or (2) enter into, modify, amend or terminate any contract or waive, release or assign any material rights or claims thereunder, which if so entered into, modified, amended, terminated, waived, released or assigned, in each case as applicable, would reasonably be expected to prevent or materially delay or impair the completion of the merger and the other transactions contemplated by the merger agreement;

except as required to comply with any EMC benefit plan, agreement or other contract entered into prior to the date of the merger agreement or thereafter in accordance with the merger agreement:

adopt, enter into, terminate or amend any benefit plan except for any amendment that would not result in a material increase to the cost to EMC under such benefit plan (or any plan, agreement, program, policy, trust, fund or other arrangement that would be a material benefit plan if it were in existence as of the date of the merger agreement) and except for the issuance of offer letters in the ordinary course, consistent with past practice, in connection with hiring employees to the extent permitted by the terms of the merger agreement;

grant any severance or termination pay to, or increase the compensation or fringe benefits of, any EMC personnel except for (1) annual base salary increases in the ordinary course of business consistent with past practice with respect to any personnel with a title lower in rank than Senior Vice President and (2) payment of annual bonuses for the 2015 calendar year and establishment of annual bonus opportunities for the 2016 calendar year, in each case, in the ordinary course of business consistent with past practice;

loan or advance any money to personnel with the title of Senior Vice President or higher;

allow for the commencement of any new offering periods under EMC s employee stock purchase plan;

remove or accelerate the lapse of any existing vesting restrictions in any benefit plans or awards made thereunder;

take any action to fund the payment of nonqualified deferred compensation or severance benefits under any benefit plan or employment, severance or similar agreement; or

materially change any actuarial or other assumption used to calculate funding obligations with respect to any benefit plan that is a defined benefit pension plan or materially change the manner in which contributions to any such benefit plan are made or the basis on which such contributions are determined;

recognize any labor organization (not including any non-U.S. trade union or works council) as the representative of any employees of EMC or any of its subsidiaries, or enter into, materially modify, materially amend or terminate any collective bargaining agreement with any labor organization;

except in accordance with generally accepted accounting principles and as advised by EMC s regular independent public accountant, (i) revalue any assets or liabilities of EMC or any of its subsidiaries that are material to EMC and its subsidiaries, taken as a whole or (ii) make any material change in accounting methods, principles or practices;

effect or permit a plant closing or mass layoff without complying with the notice requirements and all other provisions of the Worker Adjustment and Retraining Notification Act, to the extent applicable;

authorize, recommend or announce an intention to adopt a plan of complete or partial liquidation or dissolution of EMC or any of its subsidiaries;

outside of the ordinary course of EMC s administration of its tax matters, change any material method of tax accounting in respect of recognition of income, settle any material tax audit, claim or proceeding, change any material tax election or file any amended material tax return;

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- fail to acquire additional shares of VMware common stock if such failure would cause VMware to cease to be a member of the affiliated group of corporations filing a consolidated tax return with EMC for purposes of Section 1502 of the Internal Revenue Code and the regulations thereunder; or

- authorize any of, or commit, resolve or agree to take any of, the foregoing actions.

Conduct of Business with respect to VMware

Prior to the effective time of the merger, unless Denali gives its prior written consent (which in the case, of the fifth through seventh bullets below, and, to the extent applicable to the fifth through seventh bullets, the eighth bullet, will not be unreasonably withheld, conditioned or delayed) or as otherwise required by applicable law, EMC has agreed not to, and to cause its subsidiaries that are record or beneficial owners of VMware common stock not to:

- sell, pledge, dispose of, transfer, abandon, lease or otherwise encumber or subject to any lien (other than certain tax liens and any restrictions on transfer imposed by applicable securities laws) any shares of VMware common stock or any of the VMware intercompany notes;

- purchase or otherwise acquire any shares of VMware common stock other than in order to cause VMware to continue to be a member of the affiliated group of corporations filing a consolidated tax return with EMC for purposes of Section 1502 of the Internal Revenue Code and the regulations thereunder;

- convert any shares of VMware Class B common stock into shares of VMware Class A common stock;

- vote to approve or provide any consent to (1) any action under Article VI of the Amended and Restated Certificate of Incorporation of VMware, referred to as the VMware certificate, (2) any amendment to the VMware certificate or the Amended and Restated Bylaws of VMware, (3) any sale, transfer, lease or other disposition of all or substantially all of the assets of VMware or (4) any other action submitted to a vote of the VMware stockholders other than the ratification of the appointment of VMware s independent auditors and the election of directors pursuant to the following bullet;

- take any action as a stockholder of VMware to remove or appoint (other than to fill vacancies) any directors of VMware other than the reelection of those Class I Members (as defined in the VMware certificate) and Class II Members (as defined in the VMware certificate) who will be standing for reelection at the 2016 annual meeting of stockholders of VMware;

- take any other action by written consent as a stockholder of VMware;

- enter into, amend, cancel, supplement or otherwise modify any agreement with VMware or its subsidiaries other than transactions entered into in the ordinary course of business, consistent with past practice (it being understood that any amendment, cancellation, supplement or modification to or waiver of certain intercompany agreements entered into between EMC and VMware in connection with the initial public offering of VMware s common stock or the VMware intercompany notes shall not be considered a transaction entered into in the ordinary course of business, consistent with past practice); or

authorize any of, or commit, resolve or agree to take any of, the foregoing actions.

Conduct of Business with respect to Pivotal

Prior to the effective time of the merger, unless Denali gives its prior written consent (which in the case, of the fifth and sixth bullets below, and, to the extent applicable to the fifth and sixth bullets, the seventh bullet, will not be unreasonably withheld, conditioned or delayed) or as otherwise required by applicable law, EMC has agreed not to, and to cause its subsidiaries (other than VMware and its subsidiaries) not to:

sell, pledge, dispose of, transfer, abandon, lease or otherwise encumber or subject to any lien (other than certain tax liens and any restrictions on transfer imposed by applicable securities laws) any shares of capital stock of Pivotal;

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purchase, redeem or otherwise acquire any shares of capital stock of Pivotal or any other securities of Pivotal or its subsidiaries or make any loans or advances to, or investments in, Pivotal or any of its subsidiaries;

convert any shares of Pivotal Series A preferred stock into shares of Pivotal Class B common stock;

vote to approve or provide any consent to (1) any action under Article VII of the Certificate of Incorporation of Pivotal, referred to as the Pivotal certificate, or the existing shareholders agreement among Pivotal and its stockholders, referred to as the Pivotal shareholders agreement, (2) any amendment to the Pivotal certificate or the Pivotal shareholders agreement or (3) any other action submitted to a vote of the Pivotal stockholders;

take any other action by written consent as a stockholder of Pivotal;

enter into, amend, cancel, supplement or otherwise modify any agreement with Pivotal or its subsidiaries other than transactions entered into in the ordinary course of business, consistent with past practice; or

authorize any of, or commit, resolve or agree to take any of, the foregoing actions.

Solicitation of Acquisition Proposals

Until 11:59 p.m. (Eastern Time) on December 11, 2015, EMC and its subsidiaries and their respective representatives were permitted to:

solicit, initiate, encourage or facilitate or assist or cooperate with respect to, any acquisition proposal (as defined below) from any person that is not an affiliate of EMC or the making thereof; and

enter into, continue or otherwise participate in any discussions or negotiations with, or furnish any information or data in connection with, any acquisition proposal to any person that is not an affiliate of EMC pursuant to a customary confidentiality agreement meeting certain requirements.

No later than 24 hours after 11:59 p.m. (Eastern Time) on December 11, 2015, EMC was required to notify Denali in writing of the identity of each person from whom EMC has received an acquisition proposal after the date of the merger agreement through such date that has not been withdrawn and for which the EMC board of directors has determined in good faith (after consultation with its outside legal advisors and a financial advisor of nationally recognized reputation) constitutes or would reasonably be expected to lead to a superior proposal (as defined below) and provide to Denali a copy of any written acquisition proposal (including financing commitments) and a written summary of the terms of any acquisition proposal not made in writing.

Except as expressly permitted in the merger agreement (as described above), from the date of the merger agreement, EMC and its subsidiaries agreed not to, and agreed to cause its and their respective representatives not to:

solicit, initiate or knowingly encourage, knowingly facilitate or knowingly induce, the making of any acquisition proposal, or the making of any inquiry, offer or proposal that would reasonably be expected to lead to, any acquisition proposal;

enter into, facilitate, continue or otherwise participate or engage in any discussions or negotiations regarding, or furnish to any person any information or data or afford access to the business, directors, officers, employees, properties, facilities, assets, contracts, books or records of EMC or any of its subsidiaries to any person in connection with any acquisition proposal;

enter into any agreement relating to any acquisition proposal (other than a confidentiality agreement meeting certain requirements);

waive, terminate, modify or fail to enforce any provision of any standstill or similar obligation of any person (other than Denali) with respect to EMC or any of its subsidiaries (unless EMC concludes in

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good faith, after consultation with its outside legal advisors, that the failure to so waive, terminate, modify or fail to enforce would be inconsistent with its fiduciary duties under applicable law);

take any action to make the provisions of any fair price, moratorium, control share acquisition, business combination or other similar anti-takeover statute or regulation, or any restrictive provision of any applicable anti-takeover provision in the EMC articles or EMC bylaws, inapplicable to any transactions contemplated by any acquisition proposal; or

authorize any of, or commit or agree to do any of, the foregoing.

EMC has agreed that after 11:59 p.m. (Eastern Time) on December 11, 2015, it shall, and shall cause its subsidiaries and its and their representatives to, immediately cease and cause to be terminated all existing discussions or negotiations with any person conducted theretofore with respect to any acquisition proposal. Notwithstanding the foregoing, at any time prior to the approval of the merger agreement by EMC shareholders at the special meeting, in response to a bona fide written acquisition proposal from a person that is not an affiliate of EMC that the EMC board of directors determines in good faith (after consultation with its outside legal advisors and a financial advisor of nationally recognized reputation) constitutes or would reasonably be expected to lead to a superior proposal, and which acquisition proposal was not solicited after 11:59 p.m. (Eastern Time) on December 11, 2015, EMC may, subject to compliance with the merger agreement, (1) furnish information or data with respect to EMC and its subsidiaries to the person that is not an affiliate of EMC making such acquisition proposal (and its representatives) pursuant to a confidentiality agreement meeting certain requirements, and (2) participate in discussions or negotiations with the person making such acquisition proposal (and its representatives) regarding such acquisition proposal.

Neither the EMC board of directors nor any committee thereof may (1)(i) withdraw, modify or qualify (or publicly propose to withdraw, modify or qualify) in any manner adverse to Denali the recommendation of the EMC board of directors or any committee thereof that the EMC shareholders approve the merger agreement or (ii) make any other public statement in connection with the special meeting contrary to such recommendation, either of (i) or (ii) being referred to as a change of recommendation, or (2) approve, adopt or recommend, or publicly propose to approve, adopt or recommend, or submit to a vote of the EMC shareholders a merger agreement, letter of intent, agreement in principle, share purchase agreement, asset purchase agreement, share exchange agreement, option agreement or other similar contract or any tender offer providing for, with respect to, or in connection with, any acquisition proposal. However, at any time prior to the approval of the merger agreement by the EMC shareholders at the special meeting, the EMC board of directors may (1) make a change of recommendation other than in response to an acquisition proposal if the EMC board of directors concludes in good faith, after consultation with outside legal advisors, that the failure to take such action would be inconsistent with its fiduciary duties under applicable law and/or (2) make a change of recommendation or terminate the merger agreement to enter into an alternative acquisition agreement in response to an acquisition proposal if (i) the EMC board of directors concludes in good faith (after consultation with its outside legal advisors and a financial advisor of nationally recognized recognition) that such acquisition proposal constitutes a superior proposal and (ii) the EMC board of directors concludes in good faith (after consultation with its outside legal advisors) that the failure to take such action would be inconsistent with its fiduciary duties under applicable law.

Notwithstanding the foregoing, the EMC board of directors is not entitled to make a change of recommendation or terminate the merger agreement in order to enter into an alternative acquisition agreement in response to an acquisition proposal unless:

EMC has complied in all material respects with its obligations regarding the solicitation of alternative acquisition proposals;

EMC promptly notifies Denali, in writing, at least five business days before taking such action, of its intention to take such action;

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during such five-business day period (and for an additional two-business day period if there is any amendment to the financial terms or other material terms or conditions of the acquisition proposal), if requested by Denali, EMC and its representatives shall meet and engage in good faith negotiations with Denali and its representatives to amend the terms and conditions of the merger agreement in such a manner as would permit the EMC board of directors or EMC to not take such action; and

following the end of such five-business day period, the EMC board of directors shall have determined in good faith, after consultation with its outside legal advisors, and taking into account any changes to the terms of the merger agreement proposed by Denali, that the failure to take such action would continue to be inconsistent with its fiduciary duties under applicable law and, in the case of a change of recommendation in response to an acquisition proposal or termination of the merger agreement in order to enter into an alternative acquisition agreement in response to an acquisition proposal, after consultation with a financial advisor of nationally recognized reputation, that the acquisition proposal giving rise to such notice continues to constitute a superior proposal;

except that if (1) EMC receives an acquisition proposal pursuant to which the EMC board of directors determines in good faith, after consultation with its outside legal advisors and a financial advisor of nationally recognized reputation, that, if consummated, would result in the holders of EMC common stock receiving consideration valued at 115% or more of the merger consideration, and (2) the EMC board of directors determines that such acquisition proposal constitutes a superior proposal, then the EMC board of directors and EMC are not required to comply with the foregoing requirements.

After 11:59 p.m. (Eastern Time) on December 11, 2015, EMC is required to notify Denali within 24 hours after receipt of any acquisition proposal (other than acquisition proposals received and withdrawn prior to 11:59 p.m. (Eastern Time) on December 11, 2015), which notice must include the identity of the person making the acquisition proposal and a copy of such acquisition proposal (or a reasonably detailed written description if the acquisition proposal is not in writing). After 11:59 p.m. (Eastern Time) on December 11, 2015, EMC is required to (1) keep Denali reasonably informed in all material respects of the status and details of any acquisition proposal and (2) provide to Denali as soon as reasonably practicable after receipt or delivery thereof copies of all correspondence and other written materials sent or provided to EMC or any of its subsidiaries from any person that describes any of the terms or conditions of any acquisition proposal.

The restrictions on the solicitation of alternative acquisition proposals in the merger agreement do not prohibit EMC from taking and disclosing to its shareholders a position contemplated by Rule 14e-2(a)(2) or (3) under the Exchange Act or making a statement required under Rule 14d-9 under the Exchange Act, except that any such disclosure or statement will be subject to the terms and conditions of the merger agreement.

VMware and its subsidiaries are not considered subsidiaries of EMC required to comply, or for which EMC is obligated to cause to comply, with the foregoing restrictions on the solicitation of alternative acquisition proposals, except that EMC and its other subsidiaries and their respective representatives are not permitted to encourage, cause, recommend or facilitate:

the taking of any action by VMware or its subsidiaries of the type that would be restricted with respect to an acquisition proposal related to EMC;

- the making of an acquisition proposal by VMware or its subsidiaries; or

- the solicitation, initiation or knowing encouragement by VMware or its subsidiaries, or knowing facilitation or knowing inducement by VMware or its subsidiaries, of (1) the making of any acquisition proposal by any other person, or (2) the making of any inquiry, offer or proposal that would reasonably be expected to lead to, any acquisition proposal by any other person.

For purposes of the merger agreement, the term acquisition proposal means any inquiry, proposal or offer from any person relating to (1) any direct or indirect acquisition or purchase, in one transaction or a series of

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related transactions, of assets (including equity securities of any subsidiary of EMC) or businesses that constitute more than 20% of the consolidated revenues, net income or assets of EMC and its subsidiaries, taken as a whole, or more than 20% of any class of equity securities of EMC or any significant subsidiary (as defined in Rule 12b-2 under the Exchange Act) of EMC, (2) any tender offer or exchange offer that if consummated would result in any person beneficially owning more than 20% of any class of equity securities of EMC or any of its significant subsidiaries, or (3) any merger, consolidation, business combination, recapitalization, reorganization, liquidation, dissolution, joint venture, extraordinary dividend or distribution, repurchase or redemption of common stock, share exchange or similar transaction involving EMC, in each of cases (1) through (3), other than the transactions contemplated by the merger agreement.

For purposes of the merger agreement, the term superior proposal means any bona fide proposal or offer from any person that is not an affiliate of EMC that if consummated would result in such person (or its stockholders) owning, directly or indirectly, (1) more than 50% of the shares of EMC common stock then outstanding (or of the shares of the surviving entity in a merger or the direct or indirect parent of the surviving entity in a merger) or (2) assets (including equity securities of any subsidiary of EMC) or businesses that constitute more than 50% of the consolidated revenues, net income or assets of the EMC and its subsidiaries, taken as a whole, which the EMC board of directors reasonably determines (after consultation with its outside legal advisors and a financial advisor of nationally recognized reputation), taking into account all financial, legal, timing, regulatory and other aspects of such proposal or offer (including any break-up fee, expense reimbursement provisions, conditions to consummation and financing terms) and the person making the proposal or offer, to be more favorable to the EMC shareholders from a financial point of view than the transactions contemplated by the merger agreement (after giving effect to any changes to the financial terms of the merger agreement proposed by Denali in writing prior to the time of such determination).

Recommendation of EMC Board of Directors

The EMC board of directors has agreed to recommend that EMC s shareholders approve the merger agreement and to include such recommendation in this proxy statement/prospectus, and agreed not to (1) withdraw, modify or qualify (or publicly propose to withdraw, modify or qualify) in any manner adverse to Denali such recommendation (other than as described under *Solicitation of Acquisition Proposals* above, or (2) make any other public statement in connection with the special meeting contrary to such recommendation.

Efforts to Consummate the Merger

Each party has agreed to use reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate the merger and the other transactions contemplated by the merger agreement as promptly as practicable and in any event on or prior to December 16, 2016, including preparing and filing or delivering as promptly as practicable and advisable all necessary or advisable filings, information updates, responses to requests for additional information and other presentations required by or in connection with seeking any regulatory approval, exemption, change of ownership approval, or other authorization from, any governmental entity, or to obtain, as promptly as practicable, all consents, approvals, clearances, authorizations, termination or expiration of waiting periods, non-actions, waiver, permits or orders, of or by any governmental entity, that are necessary or advisable in connection with the merger and the other transactions contemplated by the merger agreement. Each party has agreed to use reasonable best efforts to defend against any action, whether brought by a governmental entity or a private party, challenging the merger or other transactions contemplated in the merger agreement.

In addition, each party has agreed to use its commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to seek to obtain all material consents, approvals and waivers of any third party under any contract required for the completion of the transactions contemplated by the merger agreement, except that the parties are not required to pay or agree to any fee, penalty or other consideration to any third party for any consent, approval or waiver under any contract required for the completion of the transactions contemplated by the merger agreement.

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Governmental Approvals

Denali and EMC have agreed to use their reasonable best efforts to take or cause to be taken all actions necessary, proper or advisable to cause the expiration or termination of the applicable waiting periods with respect to the approval of the merger under the HSR Act or any other applicable antitrust law. The parties have agreed that Denali and Merger Sub will determine strategy and timing, lead all proceedings and coordinate all activities with respect to seeking any actions, non-actions, terminations or expirations of waiting periods, consents, approvals or waivers of any governmental entity or third party as contemplated by the merger agreement, and EMC has agreed to use its reasonable best efforts to take such actions as reasonably requested by Denali or Merger Sub in connection with obtaining any such actions, non-actions, terminations or expirations of waiting periods, consents, approvals or waivers. Each party to the merger agreement has agreed to use reasonable best efforts to resolve any objections asserted with respect to the transactions contemplated by the merger agreement under any antitrust law, including using reasonable best efforts to defend any lawsuits or other legal proceedings challenging the merger agreement or the transactions contemplated thereby (including seeking to have any stay or temporary restraining order vacated or reversed).

Denali has agreed that it will not, and will not permit any of its affiliates to, enter into any agreement or transaction or any agreement to effect any transaction that would be reasonably expected to materially delay or materially adversely affect Denali s ability to:

- obtain termination or expiration of the applicable waiting period and all requisite clearances and approvals under the HSR Act and any other antitrust law as promptly as practicable and in any event before December 16, 2016; and

- avoid the entry of the commencement of any action or proceeding seeking the entry of, or effect the dissolution of, any decree, judgment, injunction or other order (whether temporary, preliminary or permanent) that prohibits, prevents or restricts the completion of the transactions contemplated by the merger agreement under the HSR Act or any other antitrust laws.

Denali has agreed to, and to cause its subsidiaries to, propose, negotiate, offer and commit to make any divestitures, assign or hold separate any assets and agree to any other remedy, requirement, obligation, condition or restriction related to the conduct of their or EMC s and its subsidiaries businesses, to resolve such objections, if any, as any governmental entity or private party may assert under antitrust laws with respect to the transactions contemplated by the merger agreement so as to avoid the entry of any order or establishment of any law preliminarily or permanently restraining, enjoining or prohibiting the transactions contemplated by the merger agreement and to enable the closing to occur before December 16, 2016, unless such actions would, individually or in the aggregate, be materially adverse (determined based on aggregate revenues) to Denali and its subsidiaries (including EMC and its subsidiaries), taken as a whole, after giving effect to the transactions contemplated by the merger agreement. EMC and its subsidiaries agree to make or effect any divestitures, assign or hold separate any assets, or implement any other remedy, requirement, obligation, condition or restriction on the conduct of its and its subsidiaries business (in each case solely to the extent implementation and effectiveness of such actions are contingent upon the closing of the merger) to resolve any governmental entity s or private party s objections to or concerns about the transactions contemplated by the merger agreement.

Treatment of EMC Equity Awards

The merger agreement provides that the EMC board of directors shall take all actions it determines to be necessary or appropriate to provide that each currently outstanding EMC stock option will become vested and fully exercisable for a reasonable period of time prior to the vesting effective time of the merger. Each EMC stock option that remains outstanding immediately prior to the vesting effective time of the merger will be automatically exercised immediately prior to the vesting effective time of the merger on a net exercise basis, such that shares of EMC common stock with a value equal to the aggregate exercise price and applicable tax withholding reduce the number of shares of EMC common stock otherwise issuable. Each such holder of a net exercised EMC stock option shall thereafter be entitled to receive the merger consideration with respect to the

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whole net number of shares of EMC common stock issued upon such net exercise, together with cash in lieu of any fractional shares of EMC common stock.

Except for a limited number of restricted stock units that may be granted following the date of the merger agreement and that will continue in effect as cash awards following the effective time of the merger, the merger agreement also provides that each EMC restricted stock unit that is outstanding immediately prior to the vesting effective time of the merger shall become fully vested immediately prior to the vesting effective time of the merger (with performance vesting units vesting at the target level of performance) and the holder will become entitled to receive the merger consideration with respect to the whole net number of shares of EMC common stock subject to the award (which shall be calculated net of the number of shares withheld in respect of taxes upon the vesting of the award), together with cash in lieu of any fractional shares of EMC common stock.

The merger agreement further provides that, effective as of immediately prior to the vesting effective time of the merger, each then-outstanding share of EMC restricted stock will become fully vested and the restrictions thereon will lapse, and each such share of EMC restricted stock will be cancelled and converted into the right to receive the merger consideration in respect of such share, together with cash in lieu of any fractional shares of EMC common stock.

The merger agreement provides that Denali may agree with individual award recipients to different equity treatment with respect to awards granted prior to the execution of the merger agreement. No such agreements were in effect as of the date of this proxy statement/prospectus. In addition, the merger agreement provides that EMC will reasonably cooperate with Denali and Merger Sub to allow, immediately prior to the vesting effective time of the merger, EMC common stock or EMC equity awards held by certain employees of EMC or its subsidiaries to be contributed to Denali, Merger Sub or their affiliates in exchange for cash awards and/or equity securities of Denali, Merger Sub or their affiliates, with the written agreement of Denali and the holders of such EMC equity awards.

Indemnification and Insurance

Denali has agreed (1) to cause the surviving corporation or an applicable subsidiary to assume and honor the obligations with respect to all rights to indemnification and exculpation from liabilities, including the advancement of expenses, for acts or omissions occurring at or prior to the effective time of the merger now existing in favor of the current or former directors or officers of EMC and its subsidiaries (other than VMware and its subsidiaries) as provided in the EMC articles, the EMC bylaws, the organizational documents of EMC s subsidiaries or any indemnification contract between such directors or officers and EMC or any of its subsidiaries (other than VMware and its subsidiaries), in each case as in effect on the date of the merger agreement, and (2) for six years following the closing date of the merger, to cause the surviving corporation or an applicable subsidiary not to amend, repeal or modify any such provisions in a manner that would adversely affect the rights thereunder of individuals who at the effective time of the merger were current or former directors or officers of EMC or any of its subsidiaries (other than VMware and its subsidiaries).

For a period of six years following the closing date of the merger, Denali has agreed to cause the surviving corporation to, to the fullest extent permitted under applicable law, indemnify and hold harmless (and advance funds in respect of each such person) each current and former director or officer of EMC or any of its subsidiaries (other than VMware and its subsidiaries) and each person who served, at the request of EMC or any of its subsidiaries (other than VMware and its subsidiaries), as a director, officer, member, trustee or fiduciary of another corporation, partnership, joint venture, trust, pension or other employee benefit plan or enterprise, such persons referred to herein as insurance indemnitees, to the same extent any such insurance indemnitee would have been entitled prior to the date of the merger agreement under the EMC articles, the EMC bylaws or the organizational documents of EMC s subsidiaries, against any costs or expenses, including the advancement of expenses for reasonable attorneys fees, judgments, fines, losses, claims, damages, liabilities and amounts paid in settlement in connection with any actual or threatened action arising out of, relating to or in connection with any

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act or omission occurring or alleged to have occurred either before or after the effective time of the merger in connection with such insurance indemnitee s service as a director or officer of, or service as an officer, director, member, trustee or other fiduciary in any other entity at the request or for the benefit of, EMC or any of its subsidiaries (other than VMware and its subsidiaries), including the merger and the other transactions contemplated by the merger agreement.

For six years after the effective time of the merger, Denali has agreed to cause the surviving corporation to maintain in effect EMC s and its subsidiaries current directors and officers liability insurance and fiduciary liability insurance (or other insurance that is no less favorable to the current beneficiaries thereof) in respect of acts or omissions occurring at or prior to the effective time of the merger, covering each person currently covered by EMC s or its subsidiaries directors and officers liability insurance and fiduciary liability insurance policies on terms no less favorable than those of such policies in effect on the date of the merger agreement. However:

- EMC may substitute for the existing policies a single premium tail policy with respect to such directors and officers liability insurance and fiduciary liability insurance with policy limits, terms and conditions at least as favorable to the directors and officers covered thereunder as the limits, terms and conditions in the existing policies of EMC and its subsidiaries; or

- if EMC does not substitute for the existing policies as described above, then Denali may substitute therefor policies of Denali (from an insurance carrier with the same or better credit rating as the current insurance carrier of EMC and its subsidiaries) that contain terms with respect to coverage (including as coverage relates to deductibles and exclusions) no less favorable to such directors and officers.

In connection with the above, neither EMC nor Denali will pay a one-time premium in excess of 300% of a specified amount or be obligated to pay annual premiums in excess of a specified amount. The parties have agreed that if such coverage cannot be obtained for such specified amount or less, the surviving corporation will obtain the maximum amount of coverage as may be obtained for such amount.

To the fullest extent permitted under applicable law, from and after the effective time, Denali has agreed to cause the surviving corporation to pay all reasonable expenses, including reasonable attorneys fees, that may be incurred by any insurance indemnitee in enforcing the indemnity and other obligations provided in the merger agreement, to the extent that such insurance indemnitee is determined to be entitled to receive such indemnification.

In the event Denali, the surviving corporation or any of their respective successors or assigns (1) consolidates with or merges into any other person or (2) transfers all or substantially all of its properties, rights and assets to any person, then, in each such case, proper provision shall be made so that the successors and assigns of Denali or the surviving corporation, as the case may be, shall assume the obligations set forth above.

Employee Matters

Denali has agreed to cause the surviving corporation and its subsidiaries to, for at least one year following the closing date of the merger, provide to each employee of EMC or its subsidiaries who continues employment following the closing of the merger, referred to as the continuing employees, (1) annual base salary or base wages, as applicable, and cash target incentive compensation opportunities (excluding equity incentives), in each case, that are no less favorable than such annual base salary or base wages, as applicable, and cash target incentive compensation opportunities provided to the continuing employees immediately prior to the closing, (2) severance compensation and benefits to any continuing employee during the year following the closing date of the merger that are no less favorable than the levels of such severance compensation and benefits as in effect under the EMC benefit plans in effect immediately prior to the closing and (3) defined contribution retirement and health and welfare benefits that are no less favorable in the aggregate than those provided to continuing employees under the EMC benefit plans immediately prior to the closing.

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Financing

Denali has agreed to use its reasonable best efforts to obtain, or cause to be obtained, the proceeds of the financing necessary to consummate the transactions contemplated by the merger agreement on the terms and conditions described in the debt commitment letter (including as necessary, the flex provisions contained in the related fee letter). Denali has agreed not to amend the debt commitment letter except to the extent permitted by the merger agreement or the common stock purchase agreements with the existing Denali stockholder investors without EMC s consent and to promptly notify EMC and use reasonable best efforts to obtain alternative financing if any portion of the financing for the merger becomes, or is reasonably expected to become, unavailable. EMC has agreed to, and to cause its subsidiaries (in general, other than VMware and its subsidiaries) to, and to use reasonable best efforts to cause its representatives to, use reasonable best efforts to provide all cooperation reasonably requested by Denali in connection with the arrangement of the financing of the transactions contemplated by the merger agreement, including by providing certain information and assistance with the marketing of such financing. For additional information regarding the financing of the merger, see *Proposal 1: Approval of the Merger Agreement Financing of the Merger* above and *Common Stock Purchase Agreements* below.

Each of Denali and Dell has agreed to, promptly upon request by EMC, reimburse EMC for all out-of-pocket costs and expenses incurred by EMC or its subsidiaries or their respective representatives in connection with their cooperation with the financing and to indemnify and hold harmless EMC and its subsidiaries and their respective representatives for and against any and all losses actually suffered or incurred by them in connection with the arrangement of the financing or any other financing that Denali may raise in connection with the transactions contemplated by the merger agreement.

Denali Cash on Hand

Each of Denali and Dell has agreed to take all actions required to collectively have available cash on hand in bank accounts located in the United States in an amount no less than $2.95 billion, referred to as the Denali cash on hand, no later than the date the marketing period commences and thereafter at all times until the earliest of (1) the closing of the merger, (2) the termination of the merger agreement in accordance with its terms and (3) the date on which such marketing period is deemed to have not commenced pursuant to the definition thereof so that such period ceases to be the marketing period, except the required amount of Denali cash on hand shall be decreased (but not below zero) by the aggregate amount of indebtedness for borrowed money of Denali or its subsidiaries that is repaid or redeemed by Denali or its subsidiaries before the closing date of the merger that, if outstanding as of the closing date of the merger, would have been required to be repaid, redeemed, discharged or refinanced as required by the debt commitment letter. Each of Denali and Dell has also agreed to cause the Denali cash on hand (after giving effect to any permitted reduction in the amount of Denali cash on hand described in the prior sentence) to be available without restriction no later than the closing date of the merger for the purpose of financing the transactions contemplated by the merger agreement at the effective time of the merger. Denali has agreed to confirm to EMC in writing that Denali and Dell have the Denali cash on hand, with reasonable supporting evidence of the sources thereof, on the marketing period commencement date. Denali shall promptly notify EMC in writing (1) of any permitted reduction in the amount of Denali cash on hand, providing reasonable supporting evidence thereof, and (2) in the event that at any time Denali and Dell do not have the Denali cash on hand (after giving effect to any permitted reduction in the amount of available cash on hand).

Liquidation of Investments; Cash Transfers

Prior to the closing date, subject to compliance with applicable law by EMC and its subsidiaries and subject to certain permitted reductions, EMC has agreed to, and to cause its wholly owned subsidiaries to, (1) sell for cash marketable securities (other than shares of VMware common stock) and cash equivalents held by, or on behalf of or for the benefit of, EMC and/or any of such subsidiaries, and (2) transfer from such subsidiaries, prior to the effective time of the merger, an amount of cash to EMC, such that EMC may (i) make available at the effective time of the merger no less than the Target Amount (as defined below) of cash on hand and (2) use reasonable efforts to make available at the effective time of the merger any additional cash that exceeds the Target Amount of cash on hand to the extent a specific amount of available cash in excess of the Target Amount of cash on hand is requested in writing by Denali at least 15 days prior to the anticipated expiration of the marketing period. EMC has agreed to make available no less than the Target Amount of cash on hand at the closing to finance the cash payments to be made on the closing date of the merger and to use reasonable efforts to make available any additional available cash pursuant to the terms of the merger agreement.

For purposes of the merger agreement, Target Amount means an amount equal to: (1) $4.75 billion; (2) plus, the aggregate amount of any indebtedness for borrowed money of EMC and its subsidiaries (other than VMware and its subsidiaries) (excluding (1) any such indebtedness for borrowed money outstanding between (i) EMC and any wholly-owned subsidiary of EMC or (ii) wholly-owned subsidiaries of EMC and (2) any letters of credit (to the extent undrawn on the closing date of the merger), capital leases, operating leases or similar obligations) incurred between September 30, 2015 and the closing date of the merger, to the extent such indebtedness for borrowed money remains outstanding on the closing date; (3) plus, the aggregate amount, if any, received from VMware prior to the closing of the merger agreement upon any voluntary repayment of the outstanding principal amount of the VMware intercompany notes; and (4) minus, the aggregate amount of any indebtedness for borrowed money of EMC and its subsidiaries (other than VMware and its subsidiaries) repaid or redeemed by EMC and its subsidiaries (other than VMware and its subsidiaries) between September 30, 2015 and the closing date of the merger that, if outstanding as of the closing date of the merger, would have been commercial paper debt or otherwise required to be repaid, redeemed, discharged or refinanced as required by the debt commitment letter. The Target Amount of cash on hand may also be decreased pursuant to an irrevocable written notice delivered by Denali to EMC in accordance with the terms of the merger agreement.

Cooperation with Divestitures

To the extent requested by Denali, EMC has agreed to, and to cause its subsidiaries (other than VMware and its subsidiaries) to, use commercially reasonable efforts to provide assistance with respect to such actions as may be reasonably necessary and reasonably requested by Denali in connection with its pursuit of divestitures of certain businesses of EMC after the closing date of the merger, including (1) assisting Denali in preparation for commencing a sales process with potential purchasers of any of EMC s or its subsidiaries businesses or other assets, (2) furnishing available materials describing each business that is contemplated to be divested such as sales and marketing materials and internal reports regarding the performance of such businesses, (3) preparing and furnishing financial (including pro forma) information and other pertinent information regarding EMC and its subsidiaries and preparing and furnishing financial statements for such businesses or assets and, if requested, assisting in any audit of such financial statements and in the preparation of pro forma financial information, (4) preparing confidential information memoranda and related presentation and other materials with respect to any such divestitures, (5) assisting with the evaluation and planning of restructuring activities to permit the consummation of such divestitures and (6) participating in a reasonable number of due diligence meetings, presentations and sessions with Denali and its representatives in connection with the foregoing, except that EMC shall not be required to take any action that would be reasonably likely to prevent or delay the completion of the merger. Denali and Dell have agreed to reimburse EMC and its subsidiaries upon demand for all out-of-pocket costs and expenses reasonably incurred by them in taking the actions requested in connection with any such cooperation.

Works Councils

EMC has agreed to, within sixty days of the date of the merger agreement, inform Denali of whether EMC or any of its subsidiaries is bound by any material local or national level collective agreements with trade unions, works councils or other similar employee representative bodies, and provide to Denali copies of any such agreements to the extent that they may impact any party s obligations to inform and/or consult with employees of EMC or any of its subsidiaries or their representatives.

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Denali Certificate; By-laws; Tracking Stock Policy Statement

Denali has agreed (1) prior to the effective time of the merger, to cause a new certificate of incorporation to be filed with the Secretary of State of the State of Delaware substantially in the form attached to the merger agreement, except for such amendments or modifications that would not require the consent of the holders of Class V Common Stock voting as a separate class if such amendment or modifications were made following the effective time of the merger, and (2) concurrently with the filing of such certificate of incorporation, to adopt by-laws containing certain provisions specified in an exhibit to the merger agreement and the Denali Tracking Stock Policy in the form attached as an exhibit to the merger agreement.

Company Headquarters

The parties have agreed that for at least ten years following the effective time of the merger, the global headquarters for the combined enterprise systems business of Denali and EMC will be located in the Commonwealth of Massachusetts.

Independent Directors

Denali has agreed, prior to the effective time of the merger, to consult with the chairman of the EMC board of directors concerning the three persons to serve on the Denali board of directors following the effective time of the merger who satisfy the independence requirements of a company listed on the national securities exchange on which the Class V Common Stock will be listed. After such consultation and after being provided with the list of three persons whom Denali desires to serve as the independent directors of Denali, the chairman of the EMC board of directors may within two business days after receiving such list deliver a written notice to Denali that he desires one (but not more than one) of such persons to be taken out of consideration for election as an independent director of Denali. If such a notice is properly delivered, Denali will not designate such person to be elected as an independent director of Denali and will instead determine in its sole discretion, but after consultation with the chairman of the EMC board of directors, the person who will serve as the third independent director of Denali.

Other Covenants and Agreements

The merger agreement contains other covenants and agreements, including covenants related to:

- cooperation between Denali and EMC regarding the preparation of this proxy statement/prospectus;
- adoption of the merger agreement by Denali, as the sole stockholder of merger sub;
- confidentiality and access by each party to certain information about the other party during the period prior to the earlier of the effective time of the merger or the termination of the merger agreement;
- necessary steps in respect of applicable notice or information and consultation requirements regarding any works council, labor agreements and non-U.S. law with respect to non-U.S. employees of EMC or any of its subsidiaries;

cooperation between Denali and EMC in connection with public announcements;

adoption of board resolutions exempting individuals who are subject to the reporting requirements of Section 16(a) of the Exchange Act from the application of Rule 16b-3 under the Exchange Act;

cooperation between Denali and EMC in the defense or settlement of any litigation relating to the merger;

the use of reasonable best efforts by Denali to cause the shares of Class V Common Stock to be issued in the merger to be approved for listing on the NYSE or Nasdaq, subject to official notice of issuance, prior to the effective time of the merger;

avoiding the application of state or other takeover laws;

causing the shares of EMC common stock to be de-listed from the NYSE and deregistered under the Exchange Act;

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cooperation regarding integration planning following the closing of the merger;

delivery of payoff letters in respect of existing EMC indebtedness; and

cooperation regarding tax treatment of the merger and the transactions contemplated by the merger agreement, the preparation of tax opinions to be delivered at the closing and the amendment of the tax sharing agreement entered into between EMC and VMware.

Conditions to the Merger

Conditions to Denali s and EMC s Obligations to Complete the Merger

The obligations of each of Denali and EMC to effect the merger are subject to the satisfaction or waiver of the following conditions:

the approval of the merger agreement by EMC shareholders;

the absence of any law, order, judgment or other legal restraint by a court or other governmental entity that makes illegal or prohibits the completion of the merger;

the termination or expiration of any applicable waiting period under the HSR Act and any other antitrust law of certain other jurisdictions, and all consents under any such other antitrust law having been obtained; and

the SEC having declared effective the registration statement of which this proxy statement/prospectus forms a part.

Conditions to Denali s Obligation to Complete the Merger

The obligation of Denali to effect the merger is subject to the satisfaction or waiver of the following additional conditions:

the representations and warranties of EMC related to EMC s capital structure, indebtedness, corporate power, authority, execution and delivery and enforceability and broker s fees and expenses being true and correct in all material respects (which, as it relates to representations and warranties covering the number of outstanding shares of EMC common stock, EMC equity awards or outstanding indebtedness of EMC and its subsidiaries, means that there are no inaccuracies in such representations and warranties that would result in the sum of (1) the increase in the aggregate merger consideration required to be paid to EMC shareholders or holders of EMC equity awards following the closing of the merger and (2) the increase in the aggregate outstanding principal amount of indebtedness for borrowed money of EMC and its subsidiaries, exceeding $275,000,000) as of the date of the merger agreement and as of the closing date of the merger (except to the extent such representations and warranties expressly relate to an earlier date, in which case, as of such earlier date);

the representations and warranties of EMC related to EMC not having suffered a material adverse effect since January 1, 2015, and the required vote of EMC shareholders to approve the merger agreement being true in all respects as of the date of the merger agreement and as of the closing date of the merger;

each other representation and warranty of EMC being true and correct (without giving effect to any limitations as to materiality or material adverse effect) as of the date of the merger agreement and as of the closing date of the merger (except to the extent expressly relate to a specified date, in which case, as of such specified date), except where the failure of such representations and warranties to be so true and correct has not had and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect;

EMC having performed in all material respects all obligations required to be performed by it under the merger agreement at or prior to the closing of the merger, and having performed in all respects the obligation to make available a certain amount of cash prior to the closing;

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- the absence of a material adverse effect since the date of the merger agreement;
- the receipt of a certificate executed by the chief executive officer or chief financial officer of EMC certifying that the five preceding conditions have been satisfied; and
- Denali having received a tax opinion from Simpson Thacher & Bartlett LLP regarding the U.S. federal income tax treatment of the merger and the Class V Common Stock and a copy of the tax opinion delivered to EMC referred to below.

Conditions to EMC s Obligation to Complete the Merger

The obligation of EMC to effect the merger is subject to the satisfaction or waiver of the following additional conditions:

- the representations and warranties of Denali, Dell and Merger Sub related to the Class V Common Stock and solvency being true and correct in all material respects as of the date of the merger agreement and as of the closing date of the merger;
- the representations and warranties of Denali, Dell and Merger Sub related to Denali s and Dell s financial statements being true and correct (without giving effect to any limitations as to materiality or parent material adverse effect) as of the date of the merger agreement and as of the date of the closing of the merger (except to the extent expressly related to a specified date, in which case as of such specified date), except where the failure of such representations and warranties to be so true and correct has not had and would not reasonably be expected to have, individually or in the aggregate, a parent material adverse effect;
- all other representations and warranties of Denali, Dell and Merger Sub being true and correct (without giving effect to any limitations as to materiality) as of the date of the merger agreement and as of the date of the closing of the merger (except to the extent expressly relate to an earlier date, in which case as of such earlier date), except for such failures to be so true and correct, individually or in the aggregate, that have not prevented, and would not reasonably be expected to prevent the ability of Denali, Dell or Merger Sub to consummate the merger and the other transactions contemplated by the Merger Agreement;
- Denali, Dell and Merger Sub having performed in all material respects all obligations required to be performed by them under the merger agreement at or prior to the closing of the merger, and having performed in all respects the obligation to make available the Denali cash on hand prior to the closing of the merger;
- the receipt of a certificate executed by an executive officer of Denali certifying that the four preceding conditions have been satisfied;

EMC having received a tax opinion from Skadden, Arps, Slate, Meagher & Flom LLP regarding the U.S. federal income tax treatment of the merger and the Class V Common Stock and a copy of the tax opinion delivered to Denali referred to above; and

the approval for listing by the NYSE or Nasdaq, subject to official notice of issuance, of the Class V Common Stock.

Termination

The merger agreement may be terminated at any time prior to the effective time of the merger, whether before or after the receipt of the EMC shareholder approval, under the following circumstances:

by mutual written consent of Denali and EMC;

by either Denali or EMC:

if the merger is not completed on or before December 16, 2016, referred to as the outside date, except that no party may terminate the merger agreement if the merger is not completed by the outside date if such party s material breach of its representations, warranties or covenants in the merger agreement has been the principal cause of the failure of the merger to be completed on or before the outside date;

if any governmental entity of competent jurisdiction located in the United States or certain other jurisdictions where the parties conduct business has adopted, enacted, issued, entered or promulgated, enforced or deemed applicable to the merger any law that prohibits or makes permanently illegal the completion of the merger or issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting the merger, and such order, decree, ruling or action shall have become final and nonappealable, except that no party may terminate the merger agreement due to such law or action if such party s material breach of the merger agreement was the principal cause of such action;

if EMC shareholders vote on and fail to approve the merger agreement at the EMC special meeting;

if the other party breaches or fails to perform any of its representations, warranties, covenants or agreements in the merger agreement, which breach or failure to perform would give rise to the failure of a condition to the terminating party s obligations to effect the merger and is not capable of being cured by the date that is three business days before the outside date or, if capable of being cured, is not cured until the earlier of (1) three business days before the outside date and (2) within thirty calendar days following receipt of written notice of such breach of failure to perform from the non-breaching party, except that no party may terminate the merger agreement for such reason if such party is then in material breach of the merger agreement so as to cause any of the conditions to effect the merger in favor of the non-breaching party not to be capable of being satisfied;

by Denali:

if (1) the EMC board of directors or any committee thereof shall have made a change of recommendation, (2) EMC shall have willfully and materially breached or willfully and materially failed to perform in any material respect its obligations or agreements with respect to the solicitation of alternative acquisition proposals or its obligation to convene the special meeting, (3) EMC shall have failed to include its recommendation that EMC shareholders vote for the approval of the merger agreement in this proxy statement/prospectus, (4) an alternative acquisition proposal has been publicly announced and the EMC board of directors has failed to issue a press release that expressly reaffirms its recommendation that EMC shareholders vote for the approval of the merger agreement within ten business days of receipt of a written request by Denali to provide such reaffirmation, (5) any tender offer or exchange offer is commenced with respect to the outstanding shares of EMC common stock, and the EMC board of directors shall not have recommended that EMC s shareholders reject such tender offer or exchange offer and not tender their EMC common stock into such tender offer or exchange offer within ten business days after commencement of such tender offer or exchange offer, or (6) EMC or the EMC board of directors (or any committee thereof) shall have resolved to, or publicly announced its intention to, take any of the foregoing actions;

by EMC:

- if, at any time prior to approval of the merger agreement by EMC s shareholders (but after expiration of the five business day period following EMC s notice to Denali of EMC s intention to make a change of recommendation), (1) the EMC board of directors determines, in response to an acquisition proposal from a person that is not an affiliate of EMC, after consultation with its outside legal advisors and a financial advisor of nationally recognized reputation, that such acquisition proposal is a superior proposal and that, after consultation with its outside legal advisors, the failure to terminate the merger agreement would be inconsistent with its fiduciary duties under applicable law, (2) EMC has complied in all material respects with its obligations with respect to the solicitation of alternative acquisition proposals, (3) EMC executes an alternative acquisition agreement with respect to such superior proposal concurrently with EMC s termination of the merger agreement and (4) EMC concurrently with its termination of the merger agreement pays to Denali the EMC termination fee (as defined below); or

if (1) all of the conditions to Denali s obligation to effect the merger have been satisfied or (to the extent permitted by law) waived (other than those conditions that, by their nature, cannot be satisfied until the closing of the merger so long as such conditions would be satisfied if the closing date of the merger were the date of termination of the merger agreement) at the time the closing of the merger is required to occur pursuant to the merger agreement, (2) EMC has irrevocably notified Denali in writing that all of the conditions to EMC s obligation to effect the merger have been satisfied (other than those conditions that, by their nature, cannot be satisfied until the closing of the merger so long as such conditions would be satisfied if the closing date of the merger were the date of such notice of termination of the merger agreement) or that EMC is waiving any such unsatisfied conditions for the purpose of consummating the closing of the merger, and that EMC is ready, willing and able to consummate the closing of the merger and will consummate the closing of the merger if Denali and Merger Sub do) and (3) Denali and Merger Sub fail to complete the closing of the merger within three business days following the later of the date the closing of the merger was required to occur pursuant to the merger agreement and the date of receipt of such notice from EMC.

Effect of Termination

If the merger agreement is validly terminated, it will become void and have no effect, without any liability or obligation on the part of any party, except that (1) no such termination will relieve EMC from any liability for damages for fraud or willful and material breach by EMC of the merger agreement, up to a maximum aggregate amount of $4 billion, suffered by Denali, Dell or Merger Sub and (2) certain provisions of the merger agreement, including those relating to fees and expenses, effects of termination, governing law, jurisdiction, waiver of jury trial and specific performance will continue in effect notwithstanding termination of the merger agreement.

Termination Fees

Except as expressly provided in the merger agreement, each party will pay all fees and expenses incurred by it in connection with the merger agreement and the transactions contemplated by the merger agreement. However, upon a termination of the merger agreement, a party may become obligated to pay to the other party a termination fee, in the following circumstances:

EMC will be obligated to pay a termination fee, referred to as the EMC termination fee, of $2.5 billion to Denali if:

the merger agreement is terminated by Denali at a time when (1) the EMC board of directors or any committee thereof shall have made a change of recommendation, (2) EMC shall have willfully and materially breached or willfully and materially failed to perform in any material respect its obligations or agreements with respect to the solicitation of alternative acquisition proposals or its obligation to convene the special meeting, (3) EMC shall have failed to include its recommendation that EMC shareholders vote for the approval of the merger agreement in this proxy statement/prospectus, (4) an alternative acquisition proposal has been publicly announced and the EMC board of directors has failed to issue a press release that expressly reaffirms its recommendation that EMC shareholders vote for the approval of the merger agreement within ten business days of receipt of a written request by Denali to provide such reaffirmation,

(5) any tender offer or exchange offer is commenced with respect to the outstanding shares of EMC common stock, and the EMC board of directors shall not have recommended that EMC s shareholders reject such tender offer or exchange offer and not tender their EMC common stock into such tender offer or exchange offer within ten business days after commencement of such tender offer or exchange offer, or (6) EMC or the EMC board of directors (or any committee thereof) shall have resolved to, or publicly announced its intention to, take any of the foregoing actions;

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the merger agreement is terminated by EMC where the merger is not completed on or before December 16, 2016, at a time when Denali was permitted to terminate the merger agreement as set forth in the immediately preceding bullet;

the merger agreement is terminated by EMC at any time prior to approval of the merger agreement by EMC s shareholders (but after expiration of the five business day period following EMC s notice to Denali of EMC s intention to make a change of recommendation), where (1) the EMC board of directors has determined, in response to an acquisition proposal from a person that is not an affiliate of EMC, after consultation with its outside legal advisors and a financial advisor of nationally recognized reputation, that such acquisition proposal is a superior proposal and that, after consultation with its outside legal advisors, the failure to terminate the merger agreement would be inconsistent with its fiduciary duties under applicable law, (2) EMC has complied in all material respects with its obligations with respect to the solicitation of alternative acquisition proposals and (3) EMC has executed an alternative acquisition agreement with respect to such superior proposal concurrently with EMC s termination of the merger agreement, except that, if such alternative acquisition agreement providing for a superior proposal was entered into prior to 11:59 p.m. (Eastern Time) on December 11, 2015, then the EMC termination fee shall instead be $2 billion; or

an alternative acquisition proposal has been made to EMC or directly to the EMC shareholders or otherwise has become publicly known or any person has publicly announced an intention to make an acquisition proposal and the merger agreement is terminated (1) by Denali or EMC where the EMC shareholders have voted on and failed to approve the merger agreement at the special meeting or (2) by Denali where EMC has breached or failed to perform any of its representations, warranties, covenants or agreements in the merger agreement, which breach or failure to perform would give rise to the failure of a condition to Denali s obligations to effect the merger and is not capable of being cured by the date that is three business days before the outside date or, if capable of being cured, is not cured until the earlier of (1) three business days before the outside date and (2) within thirty calendar days following receipt of written notice of such breach of failure to perform from Denali, and, within 12 months of such termination, EMC enters into a definitive agreement for an alternative acquisition proposal or consummates the transactions contemplated by an alternative transaction proposal, except that references to 20% in the definition of alternative acquisition proposal will be deemed to be references to 50% and references to or any significant subsidiary of EMC and or any of its significant subsidiaries shall be deemed to refer only to VMware.

If the merger agreement is terminated (1) by EMC or Denali where the EMC shareholders have voted on and failed to approve the merger agreement at the special meeting or (2) by Denali where EMC has breached or failed to perform any of its representations, warranties, covenants or agreements in the merger agreement, which breach or failure to perform would give rise to the failure of a condition to Denali s obligations to effect the merger and is not capable of being cured by the date that is three business days before the outside date or, if capable of being cured, is not cured until the earlier of (1) three business days before the outside date and (2) within thirty calendar days following receipt of written notice of such breach of failure to perform from Denali, then EMC will reimburse Denali for all reasonable out-of-pocket expenses (including all fees and expenses of counsel, accountants, investment banks, advisors and consultants to Denali, Merger Sub or their respective affiliates, and all out-of-pocket fees and expenses of financing sources for which Denali, Merger Sub or their affiliates may be responsible) incurred by Denali, Merger Sub or their respective affiliates in connection with the merger agreement and the transactions contemplated thereby, up to an aggregate maximum amount of $50 million.

Denali and Dell will be obligated to pay a termination fee, referred to as the reverse termination fee, of $4 billion to EMC if:

the merger agreement is terminated by EMC due to a breach of covenants by Denali, Dell or Merger Sub or due to a breach of their representations and warranties related to the financing of the transactions contemplated by the merger agreement or the Class V Common Stock, which breach would give rise to the failure of a condition to EMC s obligations to effect the merger and is not capable of being cured by the date that is three business days before the outside date or, if capable of being cured, is not cured until the earlier of (1) three business days before the outside date and (2) within thirty calendar days following receipt of written notice of such breach of failure to perform from EMC;

the merger agreement is terminated by EMC in a circumstance where all of the conditions to Denali s obligation to complete the merger have been satisfied or (to the extent permitted by law) waived (other than those conditions that, by their nature, cannot be satisfied until the closing so long as such conditions would be satisfied if the closing date were the date of termination of the merger agreement) at the time the closing is required to occur pursuant to the merger agreement, and, subject to the terms and conditions set forth in the merger agreement regarding such termination, Denali and Merger Sub fail to complete the closing as required by the merger agreement, except that if merger agreement is terminated by EMC as described in this paragraph and at such time (1) EMC has made available the Target Amount of cash on hand that EMC is required to make available under the merger agreement and has otherwise complied with its obligations relating to making such cash available (see *Liquidation of Investments; Cash Transfers*), (2) the financing sources for Denali s debt financing have confirmed that the debt financing will be funded in accordance with the terms thereof at the closing of the merger (assuming the substantially concurrent funding of Denali s equity financing under the common stock purchase agreements with the existing Denali stockholder investors and the availability of the target amount of cash on hand to be made available by EMC and Denali), and (3) Denali and Dell do not make available the amount of Denali cash on hand to be made available by Denali for the purpose of financing the transactions contemplated by the merger agreement, then the reverse termination fee payable by Dell shall instead be $6 billion; or

the merger agreement is terminated by Denali where the merger was not completed by the outside date in circumstances where EMC would have been entitled to terminate the merger agreement due to a breach of covenants by Denali, Dell or Merger Sub or due to a breach of the representations and warranties of Denali, Dell or Merger Sub related to the financing of the transactions contemplated by the merger agreement or the Class V Common Stock, which breach would give rise to the failure of a condition to EMC s obligations to effect the merger as described in the first bullet of this sentence.

For example, Denali would be obligated to pay the reverse termination fee to EMC as required by the second bullet immediately above if the merger agreement is terminated by EMC because Denali and Merger Sub fail to complete the closing as required by the merger agreement solely as a result of Denali s failure to obtain its debt financing.

Amendment and Waiver

Amendment

The merger agreement may be amended solely by an instrument in writing signed on behalf of each of the parties, either before or after the shareholders of EMC have approved the merger agreement, except that after such shareholder approval has been obtained, no amendment may be made that by law requires further approval of EMC shareholders, unless such required approval has been obtained.

Waiver

At any time prior to the effective time of the merger, the parties may:

extend the time for the performance of any of the obligations or other acts of the other parties;

to the extent permitted by applicable law, waive any inaccuracies in the representations and warranties contained in the merger agreement or in any document delivered pursuant to the merger agreement; or

to the extent permitted by applicable law, waive compliance with any of the agreements or conditions contained in the merger agreement.

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Specific Performance; Governing Law and Jurisdiction; Third-Party Beneficiaries

Specific Performance

The parties to the merger agreement are entitled to an injunction or injunctions to prevent breaches or threatened breaches of the merger agreement and to enforce specifically the terms and provisions of the merger agreement, in addition to any other remedy to which the parties are entitled at law or in equity, except that EMC will be entitled to specific performance to cause the full funding of the equity financing for the merger under the common stock purchase agreements with the existing Denali stockholder investors and to cause Denali and Merger Sub to complete the merger, if and only if:

- all of the conditions to Denali and Merger Sub s obligation to complete the merger contained in the merger agreement have been satisfied (other than those conditions that by their nature are to be satisfied at the closing so long as such conditions are capable of being satisfied at such time if specific performance was granted) at the time the closing was required to occur pursuant to the merger agreement;

- Denali and Merger Sub have failed to complete the closing following the date the closing of the merger is required to occur under the merger agreement;

- The debt financing has been funded or the debt financing sources have confirmed that the debt financing will be funded in accordance with the terms thereof at the closing of the merger; and

- EMC has irrevocably confirmed to Denali in writing that it is ready, willing and able for the closing of the merger to occur if specific performance is granted and the debt financing for the merger is funded.

Governing Law and Jurisdiction

The merger agreement is governed by the laws of the Commonwealth of Massachusetts, without giving effect to principles of conflicts of laws that would require the application of the laws of any other jurisdiction. Notwithstanding the foregoing, claims and actions that may be based upon, arise out of or relate to the debt financing for the merger or involve the financing sources for the debt financing are governed by the laws of the State of New York.

The parties have agreed to bring any action or proceeding with respect to the merger agreement, including the recognition and enforcement of any judgment in respect of the merger agreement, exclusively in the Business Litigation Session of the Superior Court of the Commonwealth of Massachusetts for Suffolk County, Massachusetts (of if such court does not have jurisdiction, any state court located within the Commonwealth of Massachusetts, or if those courts do not have jurisdiction then any federal court of the United States located within the Commonwealth of Massachusetts).

The parties have agreed to bring any action against the financing sources for the debt financing relating to the merger and the transactions contemplated by the merger agreement, including any dispute relating to the debt commitment letter, in the state or federal courts sitting in the Borough of Manhattan in the City of New York.

Third-Party Beneficiaries

Except as expressly provided in the merger agreement, the merger agreement is not intended to and does not confer upon any person other than the parties thereto any rights or remedies.

Common Stock Purchase Agreements

Concurrently with the execution of the merger agreement, Denali entered into common stock purchase agreements, referred to as the common stock purchase agreements, with (1) Silver Lake Partners III, L.P. and Silver Lake Partners IV, L.P., referred to as the SLP investors, (2) Michael S. Dell and the Susan Lieberman Dell

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Separate Property Trust, referred to as the MD investors, (3) MSDC Denali Investors, L.P. and MSDC Denali EIV, LLC, referred to as the MSD Partners investors and, together with the MD investors and the SLP investors, the existing Denali stockholder investors, and (4) Temasek and, together with the existing Denali stockholder investors, the common stock investors, pursuant to which the common stock investors agreed to purchase common stock of Denali on the closing date of the merger for an aggregate purchase price of up to $4.25 billion.

Share Purchase Commitments

Under the terms of the applicable common stock purchase agreement and subject to the following paragraph, on the closing date of the merger, (i) the SLP investors will purchase from Denali up to 37,797,228 shares of Denali Class B Common Stock, (ii) the MD investors will purchase from Denali up to 109,748,740 shares of Denali Class A Common Stock, (iii) the MSD Partners investors will purchase from Denali up to 6,999,487 shares of Denali Class A Common Stock and (iv) Temasek will purchase from Denali 18,181,818 shares of Denali Class C Common Stock. The per-share price to be paid by each of the common stock investors for such shares of common stock will be $27.50. Certain of the common stock investors have agreed to purchase shares of non-voting Class D Common Stock instead of voting common stock if certain approvals and clearances under antitrust law are not obtained.

Under the common stock purchase agreements with the existing Denali stockholder investors, the existing Denali stockholder investors have agreed to purchase common stock of Denali on the closing date of the merger for an aggregate purchase price of up to $4.25 billion. However, each agreement contains provisions pursuant to which the number of shares to be purchased, and the aggregate purchase price to be paid by such investors for their respective shares of common stock, may be reduced under certain circumstances. To the extent that the purchase by Temasek of its shares of Class C Common Stock is consummated, the number of shares to be purchased by each of the existing Denali stockholder investors under the applicable common stock purchase agreement and the aggregate purchase price to be paid by such investors will be reduced on a *pro rata* basis based on each such investor s commitment. In addition, in the event that the proceeds from the sale of shares to the existing Denali stockholder investors are not required in full to finance the merger, refinance certain existing indebtedness and pay fees and expenses related thereto, Denali has the right to reduce the number of shares to be purchased by each of the existing Denali stockholder investors on a *pro rata* basis. The MSD Partners investors may assign all or a portion of their obligation to purchase Denali Class A Common Stock to the MD investors or affiliated investment funds or co-investors, and each of the MD investors may assign (1) all or a portion of its obligation to purchase Denali Class A Common Stock to certain permitted transferees specified in the Denali stockholders agreement or co-investors and (2) up to 50% of its obligation to purchase Denali Class A Common Stock to the MSD Partners investors or MSD Partners affiliated investment funds or co-investors. Such an assignment will not relieve the MSD Partners investors or the MD investors of their respective obligations under the applicable common stock purchase agreement except to the extent that an assignee actually purchases shares of Denali and fully pays the cash purchase price to Denali at the closing of the merger.

Representations and Warranties

Each common stock purchase agreement contains representations and warranties made by Denali to the applicable common stock investors and the applicable common stock investors to Denali. The representations and warranties made by Denali to the respective common stock investors include representations and warranties with respect to:

- incorporation and good standing;

capital structure and outstanding equity;

authority to execute, deliver and perform its obligations under, and to complete the transactions contemplated by, the common stock purchase agreement;

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- due authorization and valid issuance of the shares to be purchased by the common stock investors;
- governmental authorizations, absence of conflicts with, or violations of, organizational documents, applicable law and certain contracts as a result of Denali entering into the common stock purchase agreements;
- financial statements and absence of certain contingent liabilities;
- absence of certain litigation and investigations; and
- compliance with certain laws.

The representations made by the common stock investors to Denali include, as applicable, representations and warranties with respect to:

- organization and good standing;
- authority to execute, deliver and perform their respective obligations under, and to complete the transactions contemplated by, the common stock purchase agreements;
- governmental authorizations, absence of conflicts with, or violations of, organizational documents, applicable law and certain contracts as a result of such investor entering into the common stock purchase agreements; and
- financial capacity to consummate the purchase of the shares.

Covenants

Denali and the common stock investors have agreed to certain covenants in each of the common stock purchase agreements that govern the actions of the parties between the date of the applicable common stock purchase agreement and the closing date of the merger. The covenants regarding Denali s and the applicable common stock investor s activities include obligations and restrictions with respect to:

- as applicable, making antitrust filings deemed necessary and related matters;
- Denali declaring or paying dividends on, or its repurchase of, its shares of capital stock;

- the due authorization and valid issuance by Denali of the shares;
- the filing of the Denali certificate with the Secretary of State of the State of Delaware;
- the waiver of any rights the existing Denali stockholder investors have with respect to the issuance of shares of common stock under any applicable stockholders agreement between the applicable existing Denali stockholder investor and Denali; and
- a reduction of the per-share purchase price, if Denali issues common stock (other than issuances of Class V Common Stock and certain other exceptions) at a price per share that is lower than the price to be paid by the common stock investor under the common stock purchase agreement, in which case, for each common stock investor, the number of shares to be purchased by such common stock investor shall be increased so that the aggregate purchase price to be paid by such common stock investor does not change (except in the case of Temasek, in which case the number of shares to be purchased shall be maintained so that the aggregate purchase price to be paid by Temasek shall be correspondingly reduced).

Denali and Temasek have also agreed to certain additional obligations and restrictions in their common stock purchase agreement, including with respect to:

- communications to the general public regarding the merger agreement and related financing;
- disclosure of confidential information regarding Denali and the merger;

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- restrictions on the acquisition by Temasek or its affiliates of EMC or VMware or the shares of either of them;
- entering into a registration rights agreement and a stockholders agreement at the closing; and
- voting the shares to be purchased by such investor in the same way as all other votes cast in connection with certain amendments to the Denali certificate.

Conditions to Closing

The obligation of Denali to consummate the issuance and sale of shares under each of the common stock purchase agreements is subject to the substantially simultaneous closing of the merger.

The respective obligations of each of the existing Denali stockholder investors to consummate the purchase of shares under the applicable common stock purchase agreement on the closing date of the merger is subject to the satisfaction (or waiver by the applicable investor) of the following conditions:

- the satisfaction or waiver of the conditions to Denali s obligation to complete the merger;
- the filing and effectiveness of the Denali certificate; and
- the substantially simultaneous closing of the merger.

The obligation of Temasek to consummate the purchase of shares under its common stock purchase agreement on the closing date of the merger is subject to the satisfaction (or waiver by Temasek) of the following additional conditions:

- the representations and warranties of Denali relating to incorporation and standing, due authorization of the common stock purchase agreement and the shares and valid issuance of the shares being true and correct in all material respects (unless qualified as to materiality, in which case such representations or warranties shall be true and correct in all respects), as of the date of the common stock purchase agreement with Temasek and as of the closing date of the merger;
- the performance by Denali in all material respects of its obligations under the common stock purchase agreement with Temasek at or prior to the closing date of the merger;
- Denali shall not have entered into any amendment or modification of the merger agreement (or knowingly waived a condition thereunder) in a manner materially adverse to the interests of Temasek in its capacity as a holder of the shares;

receipt by Denali of financing in an amount sufficient to complete the merger;

the filing of the Denali certificate;

the delivery to Temasek of a certificate by an executive officer of Denali certifying that immediately after the closing of the share purchase the closing of the merger will occur in accordance with the merger agreement; and

the execution of a stockholders agreement and a registration rights agreement by Denali and the existing Denali stockholder investors.

The obligation of Denali to consummate the purchase of shares under the common stock purchase agreement with Temasek on the closing date of the merger is subject to the satisfaction (or waiver by Denali) of the following additional conditions:

The representations and warranties of Temasek being true and correct in all material respects (unless qualified as to materiality, in which case such representations or warranties shall be true and correct in all respects), as of the date of the common stock purchase agreement with Temasek and as of the closing date of the merger;

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- the performance by Temasek in all material respects of its obligations under the common stock purchase agreement with Temasek at or prior to the closing date of the merger; and

- the execution of a stockholders agreement and a registration rights agreement by Temasek and the existing Denali stockholder investors.

Termination of the Common Stock Purchase Agreements

Each common stock purchase agreement may be terminated by either party at any time if the closing of the merger does not occur on or before the outside date under the merger agreement (through no fault of Denali and its representatives in the case of termination by Denali of the agreement with Temasek), and will terminate automatically upon termination of the merger agreement. The common stock purchase agreement with Temasek also provides that such agreement may be terminated by any party thereto if Denali enters into an amendment to the merger agreement (or knowingly waives any condition thereunder) in a manner that is materially adverse to the interests of Temasek in its capacity as a holder of shares, without Temasek s consent.

EMC s Rights Under the Common Stock Purchase Agreements

EMC is an express third-party beneficiary of the common stock purchase agreements entered into between Denali and each of the existing Denali stockholder investors, with the right to seek and obtain injunctive relief or specific performance to cause the applicable investor to fund the amount such investor is obligated to pay under the applicable agreement. The common stock purchase agreements between Denali and the existing Denali stockholder investors may not be amended or waived without EMC s prior written consent if such amendment or waiver would require EMC s prior written consent under the merger agreement (which requires prior written consent of EMC for any amendment or waiver of any provision or remedy under the common stock purchase agreements). EMC is not a third-party beneficiary of the common stock purchase agreement with Temasek.

Specific Performance

The parties to the common stock purchase agreements have agreed that irreparable damage would occur and that the parties would not have any adequate remedy at law if any of the provisions of the applicable common stock purchase agreement were not performed in accordance with their specific terms or were otherwise breached, and have accordingly agreed that they will be entitled to an injunction or injunctions to prevent breaches of the applicable agreement and to enforce specifically the terms and provisions thereof, without proof of actual damages or otherwise.

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PROPOSAL 2: NON-BINDING, ADVISORY VOTE ON COMPENSATION OF NAMED EXECUTIVE OFFICERS

Section 14A of the Exchange Act, which was enacted as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, requires that EMC provide its shareholders with the opportunity to vote to approve, on an advisory, non-binding basis, the golden parachute compensation arrangements for the named executive officers of EMC, as disclosed in the table and accompanying footnotes in the section entitled *Proposal 1: Approval of the Merger Agreement Interests of Certain EMC Directors and Officers Golden Parachute Compensation.*

EMC is asking its shareholders to indicate their approval of the various change of control payments and equity acceleration which the named executive officers of EMC will or may be eligible to receive in connection with the transaction. These payments are set forth in the table accompanying footnotes in the section entitled *Proposal 1: Approval of the Merger Agreement Interests of Certain EMC Directors and Officers Golden Parachute Compensation.* The various plans and arrangements pursuant to which these compensation payments may be made have previously formed part of EMC s overall compensation program for its named executive officers, which has been disclosed to EMC s shareholders, including as required in the Compensation Discussion and Analysis and related sections of EMC s annual proxy statements. EMC is seeking approval of the following resolution:

RESOLVED, that the shareholders of EMC approve, on an advisory, non-binding basis, the golden parachute compensation which may be paid to the named executive officers of EMC in connection with the transaction, as disclosed pursuant to Item 402(t) of Regulation S-K in the table and accompanying footnotes in the section entitled *Proposal 1: Approval of the Merger Agreement Interests of Certain EMC Directors and Officers Golden Parachute Compensation.*

EMC shareholders should note that this proposal is regarding an advisory vote which will not be binding on EMC, its board of directors or Denali. Further, the underlying plans and arrangements are contractual in nature and not, by their terms, subject to shareholder approval. Accordingly, regardless of the outcome of the advisory vote, if the transaction is completed, the eligibility of the named executive officers of EMC for such payments and benefits will not be affected by the outcome of the advisory vote.

The affirmative vote of a majority of the votes cast, in person or by proxy, at the special meeting is required to approve, on a non-binding, advisory basis, the compensation payments that will or may be paid by EMC to its named executive officers in connection with the merger.

THE EMC BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EMC SHAREHOLDERS VOTE FOR THE NON-BINDING PROPOSAL APPROVING COMPENSATION TO THE EMC NAMED EXECUTIVE OFFICERS RELATED TO THE TRANSACTION.

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PROPOSAL 3: ADJOURNMENT OF SPECIAL MEETING OF EMC SHAREHOLDERS

EMC shareholders are being asked to approve a proposal that will give the EMC board of directors authority to adjourn the special meeting one or more times, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement at the time of the special meeting.

If this proposal is approved, the special meeting could be adjourned to any date permitted by the EMC bylaws. If the special meeting is adjourned, EMC shareholders who have already submitted their proxies will be able to revoke them at any time prior to their use. If you sign and return a proxy and do not indicate how you wish to vote on any proposal, or if you indicate that you wish to vote in favor of the proposal to approve the merger agreement but do not indicate a choice on the adjournment proposal, your shares of EMC common stock will be voted in favor of the adjournment proposal.

Whether or not a quorum is present, the affirmative vote of a majority of the votes cast, in person or by proxy, at the special meeting is required to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

THE EMC BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EMC SHAREHOLDERS VOTE FOR THE APPROVAL OF THE ADJOURNMENT OF THE SPECIAL MEETING, IF NECESSARY OR APPROPRIATE, TO SOLICIT ADDITIONAL PROXIES IF THERE ARE NOT SUFFICIENT VOTES TO APPROVE THE MERGER AGREEMENT.

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DENALI UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The unaudited pro forma condensed combined statement of loss for the year ended January 29, 2016 combines the historical consolidated statements of income (loss) of Denali and EMC, giving effect to the merger and related financing transactions as if they had occurred on January 31, 2015, the first day of the fiscal year ended January 29, 2016. The unaudited pro forma condensed combined statement of loss for the year ended January 29, 2016 and the unaudited pro forma condensed statements of loss for the year ended January 30, 2015, the successor period from October 29, 2013 through January 31, 2014, and the predecessor period from February 2, 2013 through October 28, 2013 additionally reflect the anticipated disposition of Dell Services, which will be accounted for as discontinued operations, as if it had occurred on February 2, 2013, the first day of the earliest fiscal period presented. The unaudited pro forma condensed combined statement of financial position as of January 29, 2016 combines the historical consolidated statements of financial position of Denali and EMC, giving effect to the merger, related financing transactions, and anticipated disposition of Dell Services as if they had occurred on January 29, 2016. The historical consolidated financial information has been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that are (i) directly attributable to the merger or anticipated disposition, (ii) factually supportable, and (iii) with respect to the statements of income, expected to have a continuing impact on the combined company s results. The unaudited pro forma condensed combined financial statements should be read in conjunction with the accompanying notes to the unaudited pro forma condensed combined financial statements. In addition, the unaudited pro forma condensed combined financial information was based on, and should be read in conjunction with, the following historical consolidated financial statements and accompanying notes, which are included elsewhere or incorporated by reference in this proxy statement/prospectus:

- separate historical consolidated financial statements of Denali as of, and for the year ended, January 29, 2016, and the related notes; and

- separate historical consolidated financial statements of EMC as of, and for the year ended, December 31, 2015, and the related notes included in EMC s Annual Report on Form 10-K for the year ended December 31, 2015.

The unaudited pro forma adjustments are based upon available information and certain assumptions that Denali believes are reasonable under the circumstances. The unaudited pro forma condensed combined financial information has, as it relates to the EMC acquisition, been prepared by Denali using the acquisition method of accounting in accordance with GAAP. Denali has been treated as the acquirer in the merger for accounting purposes. The acquisition accounting is dependent upon certain valuation and other studies that have yet to commence or progress to a stage where there is sufficient information for a definitive measurement. Under the HSR Act and other relevant laws and regulations, before completion of the merger, there are significant limitations regarding what Denali can learn about EMC. Accordingly, the assets and liabilities of EMC have been measured based on various preliminary estimates using assumptions that Denali believes are reasonable based on information that is currently available to it. Differences between these preliminary estimates and the final acquisition accounting will occur, and those differences could have a material impact on the accompanying unaudited pro forma condensed combined financial statements and the combined company s future results of operations and financial position. The unaudited pro forma adjustments are preliminary and have been made solely for the purpose of providing unaudited pro forma condensed combined financial statements prepared in accordance with the rules and regulations of the SEC.

The unaudited pro forma condensed combined financial information is presented for informational purposes only. The unaudited pro forma condensed combined financial information does not purport to represent what the combined company s results of operations or financial condition would have been had the merger or anticipated disposition of Dell Services actually occurred on the dates indicated, and does not purport to project the combined company s results of operations or financial condition for any future period or as of any future date.

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The unaudited pro forma condensed combined financial information does not reflect adjustments for any possible tax liabilities resulting from the repatriation of cash currently held in foreign jurisdictions likely to be required to close the transaction. While no final plan for repatriation of cash has been developed as it relates to this transaction, Denali does not expect that the taxes and other costs that Denali and EMC will incur on a combined basis as a result of any such repatriation will be material to the pro forma results of the combined company.

The unaudited pro forma condensed combined financial information does not reflect all potential divestitures that may occur prior to, or subsequent to, the completion of the merger (including to obtain required regulatory approvals), the projected realization of revenue synergies, cost savings that may be realized as a result of the merger, or any potential changes in compensation plans.

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DENALI UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF LOSS

	Pro Forma Year Ended January 29, 2016					
(in millions, except per share amounts)	Denali Fiscal year ended January 29, 2016	EMC Fiscal year ended December 31, 2015	Discontinued operations	Pro forma adjustments		Pro forma combined
Net revenue:						
Products	$ 43,317	$ 13,514	$	$ (351)	(c)	$ 56,480
Services, including software related	11,569	11,190	(2,804)	(2,476)	(a)	17,479
Total net revenue	**54,886**	**24,704**	**(2,804)**	**(2,827)**		**73,959**
Cost of net revenue:						
Products	37,923	5,826		3,038	(b)	45,933
				(351)	(c)	
				(503)	(d)	
Services, including software related	7,131	4,001	(2,256)			8,876
Total cost of net revenue	**45,054**	**9,827**	**(2,256)**	**2,184**		**54,809**
Gross margin	9,832	14,877	(548)	(5,011)		19,150
Operating expenses:						
Selling, general, and administrative	8,900	8,765	(406)	293	(b)	17,498
				(54)	(g)	
Research, development, and engineering	1,315	3,271	(3)	(6)	(b)	4,577
Total operating expenses	**10,215**	**12,036**	**(409)**	**233**		**22,075**
Operating income (loss)	**(383)**	**2,841**	**(139)**	**(5,244)**		**(2,925)**
Interest and other, net	(792)	41		(1,910)	(e)	(2,704)
				(43)	(f)	
Income (loss) from continuing operations before income taxes	**(1,175)**	**2,882**	**(139)**	**(7,197)**		**(5,629)**
Income tax provision (benefit)	(71)	710	(45)	(2,519)	(i)	(1,925)
Net income (loss) from continuing operations	**(1,104)**	**2,172**	**(94)**	**(4,678)**		**(3,704)**
Net (income) loss attributable to non-controlling interests		(182)		313	(j)	131
Net income (loss) from continuing operations attributable to common shareholders	**$ (1,104)**	**$ 1,990**	**$ (94)**	**$ (4,365)**		**$ (3,573)**

DHI Group common stock:				
Loss per share from continuing operations, basic	$ (2.73)			$ (7.32)
Loss per share from continuing operations, diluted	$ (2.73)			$ (7.32)
Weighted average shares outstanding, basic	405	155	(h)	560
Weighted average shares outstanding, diluted	405	155	(h)	560
Net loss from continuing operations attributable to DHI Group common stock	n/a	$ (4,097)	(h)	$ (4,097)
Class V Common Stock:				
Earnings per share from continuing operations, basic	n/a			$ 2.35
Earnings per share from continuing operations, diluted	n/a			$ 2.34
Weighted average shares outstanding, basic	n/a	223	(h)	223
Weighted average shares outstanding, diluted	n/a	223	(h)	223
Net income from continuing operations attributable to Class V Common Stock	n/a	$ 524	(h)	$ 524

See accompanying notes to Denali Unaudited Pro Forma Condensed Combined Financial Statements.

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DENALI UNAUDITED PRO FORMA CONDENSED STATEMENT OF LOSS

	Pro Forma Year Ended January 30, 2015		
(in millions, except per share amounts)	Denali Fiscal year ended January 30, 2015	Discontinued operations	Pro forma
Net revenue:			
Products	$ 46,690	$	$ 46,690
Services, including software related	11,429	(2,819)	8,610
Total net revenue	**58,119**	**(2,819)**	**55,300**
Cost of net revenue:			
Products	40,415		40,415
Services, including software related	7,496	(2,433)	5,063
Total cost of net revenue	**47,911**	**(2,433)**	**45,478**
Gross margin	**10,208**	**(386)**	**9,822**
Operating expenses:			
Selling, general, and administrative	9,428	(397)	9,031
Research, development, and engineering	1,202	(3)	1,199
Total operating expenses	**10,630**	**(400)**	**10,230**
Operating income (loss)	**(422)**	**14**	**(408)**
Interest and other, net	(924)		(924)
Loss from continuing operations before income taxes	**(1,346)**	**14**	**(1,332)**
Income tax provision (benefit)	(125)	14	(111)
Net loss from continuing operations	**$ (1,221)**	**$**	**$ (1,221)**
Loss per share from continuing operations, basic	$ (3.02)		$ (3.02)
Loss per share from continuing operations, diluted	$ (3.02)		$ (3.02)
Weighted average shares outstanding, basic	404		404
Weighted average shares outstanding, diluted	404		404

See accompanying notes to Denali Unaudited Pro Forma Condensed Combined Financial Statements.

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DENALI UNAUDITED PRO FORMA CONDENSED STATEMENT OF LOSS

(in millions, except per share amounts)	Period October 29, 2013 through January 31, 2014 Successor			Period February 2, 2013 through October 28, 2013 Predecessor		
	Denali	Discontinued operations	Pro forma	Dell, Inc.	Discontinued operations	Pro forma
Net revenue:						
Products	$ 11,253	$	$ 11,253	$ 32,786	$	$ 32,786
Services, including software related	2,822	(687)	2,135	9,516	(2,176)	7,340
Total net revenue	**14,075**	**(687)**	**13,388**	**42,302**	**(2,176)**	**40,126**
Cost of net revenue:						
Products	10,695		10,695	28,150		28,150
Services, including software related	1,987	(646)	1,341	6,161	(1,998)	4,163
Total cost of net revenue	**12,682**	**(646)**	**12,036**	**34,311**	**(1,998)**	**32,313**
Gross margin	**1,393**	**(41)**	**1,352**	**7,991**	**(178)**	**7,813**
Operating expenses:						
Selling, general, and administrative	2,863	(111)	2,752	6,528	(277)	6,251
Research, development, and engineering	328	(1)	327	945	(5)	940
Total operating expenses	**3,191**	**(112)**	**3,079**	**7,473**	**(282)**	**7,191**
Operating income (loss)	**(1,798)**	**71**	**(1,727)**	**518**	**104**	**622**
Interest and other, net	(204)		(204)	(198)		(198)
Income (loss) from continuing operations before income taxes	**(2,002)**	**71**	**(1,931)**	**320**	**104**	**424**
Income tax provision (benefit)	(390)	29	(361)	413	41	454
Net loss from continuing operations	**$ (1,612)**	**$ 42**	**$ (1,570)**	**$ (93)**	**$ 63**	**$ (30)**
Loss per share from continuing operations, basic	$ (4.06)		$ (3.95)	$ (0.05)		$ (0.02)
Loss per share from continuing operations, diluted	$ (4.06)		$ (3.95)	$ (0.05)		$ (0.02)
Weighted average shares outstanding, basic	397		397	1,755		1,755
	397		397	1,755		1,755

Weighted average shares outstanding,
diluted

See accompanying notes to Denali Unaudited Pro Forma Condensed Combined Financial Statements.

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DENALI UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF FINANCIAL POSITION

	As of January 29, 2016					
(in millions)	Denali As of January 29, 2016	EMC As of December 31, 2015	Assets held for sale	Pro forma adjustments		Pro forma combined
Current assets:						
Cash and cash equivalents	$ 6,576	$ 6,549	$	$ (6,088)	(a)	$ 7,037
Short-term investments		2,726		(1,110)	(e)	1,616
Accounts receivable, net	5,535	3,977	(443)	1,902	(d)	10,971
Short-term financing receivables, net	2,915					2,915
Inventories, net	1,643	1,245		653	(c)	3,541
Other current assets	3,615	566	(73)	(30)	(b)	4,078
Assets held for sale			1,721	(1,721)	(a)	
Total current assets	**20,284**	**15,063**	**1,205**	**(6,394)**		**30,158**
Property, plant, and equipment, net	2,270	3,850	(515)			5,605
Long-term investments	114	5,508		(2,108)	(e)	3,514
Long-term financing receivable, net	2,177					2,177
Goodwill	10,049	17,090	(252)	19,148	(g)	46,035
Purchased intangible assets, net	9,578	2,149	(388)	32,841	(h)	44,180
Other non-current assets	778	2,952	(50)	(123)	(j)	3,557
Total assets	**$ 45,250**	**$ 46,612**	**$**	**$ 43,364**		**$ 135,226**
Current liabilities:						
Short-term debt	$ 2,984	$ 1,299	$	$ (1,490)	(f)	$ 2,793
Accounts payable	12,934	1,644	(173)			14,405
Accrued and other	4,556	3,732	(180)	(854)	(l)	7,254
Short-term deferred revenue	4,339	6,210	(82)	(1,155)	(k)	9,312
Liabilities held for sale			614	(614)	(a)	
Total current liabilities	**24,813**	**12,885**	**179**	**(4,113)**		**33,764**
Long-term debt	10,775	5,475		35,155	(i)	51,405
Long-term deferred revenue	4,475	4,592	(53)	(1,076)	(k)	7,938
Other non-current liabilities	3,615	941	(126)	12,919	(m)	17,349
Total liabilities	**$ 43,678**	**$ 23,893**	**$**	**$ 42,885**		**$ 110,456**
Redeemable shares	106					106
Stockholders equity						
Preferred stock						
Common stock and additional paid-in capital	5,727	19		17,451	(n)	23,197

Retained earnings (deficit)	(3,937)	21,700		(20,847)	(o)	(3,084)
Accumulated other comprehensive income (loss)	(324)	(579)		579	(p)	(324)
Total stockholders equity	**1,466**	**21,140**		**(2,817)**		**19,789**
Non-controlling interests		1,579		3,296	(q)	4,875
Total liabilities and equity	**$ 45,250**	**$ 46,612**	**$**	**$ 43,364**		**$ 135,226**

See accompanying notes to Denali Unaudited Pro Forma Condensed Combined Financial Statements.

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NOTES TO DENALI UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

1. Description of Merger Transaction

Denali and EMC are parties to the merger agreement, pursuant to which, subject to the terms and conditions set forth therein, Merger Sub will merge with and into EMC and EMC will become a wholly owned subsidiary of Denali and will no longer be a publicly held corporation. If the merger is completed, each share of EMC common stock (other than shares owned by Denali, Merger Sub, EMC or any of its wholly-owned subsidiaries, and other than shares with respect to which appraisal rights may be properly exercised and not withdrawn) automatically will be converted into the right to receive the merger consideration, consisting of (1) $24.05 in cash, without interest, and (2) a number of shares of validly issued, fully paid and non-assessable Class V Common Stock equal to the quotient obtained by dividing (A) 222,966,450 by (B) the aggregate number of shares of EMC common stock issued and outstanding immediately prior to the effective time of the merger, plus cash in lieu of any fractional shares. In order to complete the merger, among other conditions, EMC shareholders must approve the merger agreement. The aggregate number of shares of Class V Common Stock expected to be issued following the completion of the merger and the other transactions described in this proxy statement/prospectus is intended to track and reflect the economic performance of approximately 65% of EMC s economic interest in the approximately 81% of the outstanding shares of VMware common stock currently owned by EMC, reflecting approximately 53% of the total economic interest in the outstanding shares of VMware common stock.

The merger will be financed with a combination of equity and debt financing and cash on hand. Denali has obtained committed equity financing for up to $4.25 billion in the aggregate (from Michael S. Dell and a separate property trust for the benefit of Mr. Dell s wife, MSDC Denali Investors, L.P., MSDC Denali EIV, LLC, funds affiliated with Silver Lake Partners, and Temasek) and debt financing commitments for up to $49.5 billion in the aggregate from, among others, Credit Suisse, J.P. Morgan, Barclays, BofA Merrill Lynch, Citi, Goldman Sachs, Deutsche Bank, and RBC Capital Markets, for the purpose of financing the merger and refinancing certain existing indebtedness of Denali and EMC. The obligations of the lenders under Denali s debt financing commitments are subject to a number of customary conditions. Denali s debt financing commitments will terminate upon the earliest of (1) the termination of the merger agreement in accordance with its terms, (2) the completion of the merger without the funding of such commitments and (3) December 16, 2016. In addition, each of Denali and EMC has agreed to make available a certain amount of cash on hand (at least $2.95 billion, in the case of Denali, and $4.75 billion in the case of EMC) at the closing of the merger for the purpose of financing the transactions contemplated by the merger agreement.

2. Basis of Presentation

The unaudited pro forma condensed combined financial statements were prepared using the acquisition method of accounting for the merger and are based on the historical consolidated financial statements of Denali and EMC. The assets and liabilities of Dell Services have been removed from the pro forma condensed combined statement of financial position to reflect the divestiture, and the financial results of Dell Services have been removed from the pro forma combined statement of loss as discontinued operations; the amounts related to this business have been derived from Denali s historical consolidated financial statements. Denali s fiscal year end is the 52 or 53 week period ending on the Friday nearest January 31 while EMC s fiscal year end is December 31. Denali s fiscal year ended January 29, 2016 included 52 weeks. The unaudited pro forma condensed combined statement of loss for the year ended January 29, 2016 combines Denali s consolidated statement of loss for the fiscal year ended January 29, 2016 with EMC s consolidated income statement for the fiscal year ended December 31, 2015. The unaudited pro forma condensed combined statement of financial position as of January 29, 2016 combines Denali s consolidated statement of financial position as of January 29, 2016 with EMC s consolidated balance sheet as of December 31, 2015. In addition, EMC s historical restructuring and acquisition-related expenses have been reclassified to conform with Denali s presentation as shown below:

(in millions)	**Year Ended January 29, 2016**
Products, cost of net revenue	$ 17
Services, cost of net revenue	97
Research, development, and engineering	104
Selling, general, and administrative	232
Net adjustment	**$ 450**

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The acquisition method of accounting is based on ASC 805, and uses the fair value concepts defined in ASC 820, *Fair Value Measurements*. ASC 805 requires, among other things, that most assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date.

Under ASC 805, acquisition-related transaction costs are not included as a component of consideration transferred but are accounted for as expenses in the periods in which such costs are incurred, or if related to the issuance of debt, capitalized as debt issuance costs. Acquisition-related transaction costs expected to be incurred by Denali include estimated fees related to the issuance of long-term debt, as well as financial advisory, legal and accounting fees. Total acquisition-related transaction costs expected to be incurred by Denali and EMC are estimated to be approximately $1.8 billion, which includes an estimated $1.0 billion of debt issuance costs and discounts. During the year ended January 29, 2016, Denali incurred $39 million of acquisition-related costs and EMC incurred $15 million of acquisition-related costs.

The unaudited pro forma condensed combined statement of financial position as of January 29, 2016 is required to include adjustments which give effect to events that are directly attributable to the merger regardless of whether they are expected to have a continuing impact on the combined results or are non-recurring. Therefore, acquisition-related transaction costs expected to be incurred by Denali and EMC subsequent to January 29, 2016 of approximately $1.7 billion are reflected as a pro forma adjustment to the unaudited pro forma condensed combined statement of financial position as of January 29, 2016 as follows:

- a decrease to cash of $1.7 billion;
- an increase to other non-current assets of $885 million for capitalized debt costs;
- a decrease to long-term debt of $112 million for debt discounts;
- a decrease in other current liabilities of $184 million for the assumed tax benefit of transaction costs expensed; and
- a decrease to retained earnings of $567 million, net of related tax benefits.

ASC 820 defines the term fair value, sets forth the valuation requirements for any asset or liability measured at fair value, expands related disclosure requirements and specifies a hierarchy of valuation techniques based on the nature of the inputs used to develop the fair value measures. Fair value is defined in ASC 820 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This is an exit price concept for the valuation of the asset or liability. In addition, market participants are assumed to be buyers and sellers in the principal (or the most advantageous) market for the asset or liability. Fair value measurements for an asset assume the highest and best use by these market participants. As a result of these standards, Denali may be required to record the fair value of assets which are not intended to be used or sold and/or to value assets at fair value measures that do not reflect Denali s intended use of those assets. Many of these fair value measurements can be highly subjective, and it is possible that other professionals, applying reasonable judgment to the same facts and circumstances, could develop and support a range of alternative estimated amounts.

On March 27, 2016, Dell entered into a definitive agreement with NTT Data International L.L.C. to sell Dell Services for cash consideration of approximately $3.1 billion. Denali has reflected the assets and liabilities to be divested in the assets held for sale column, and has removed those same assets and liabilities from the pro forma adjustments column to reflect the divestiture in the unaudited pro forma condensed combined statement of financial position as of January 29, 2016. Further, the financial results of the business held-for-sale have been removed for all three years presented in Denali s unaudited pro forma condensed statements of loss to present only pro forma loss from continuing operations. These adjustments represent Denali s current best estimate of the historical operations, effective tax rate, assets, and liabilities of the business to be disposed. As the terms of the sale are finalized, these estimates may change and any such changes may be material. Total cash consideration, which may vary due to working capital adjustments included in the transaction agreement, is expected to be between $2.9 billion and $3.1 billion, which would result in a pre-tax gain on sale of approximately $1.7 billion to $2.0 billion, respectively. Denali anticipates that the transaction will close in the third quarter of fiscal year 2017, subject to satisfaction of customary closing conditions, including approvals from regulatory authorities.

If the divestiture of Dell Services is consummated prior to or substantially concurrently with the consummation of the merger, the net consideration received from the divestiture will be used to finance the merger. The net impact of the disposition of Dell Services to the unaudited pro forma condensed combined statement of financial position as of January 29, 2016 consists of the following pro forma adjustments:

- An increase in cash of $2.7 billion ($3.1 billion of total consideration net of an estimated cash taxes paid of $0.4 billion);
- The removal of $1.7 billion of assets and $0.6 billion of liabilities to effectuate the sale; and
- An increase in retained earnings of $1.6 billion, representing the estimated net gain on the disposition.

The unaudited pro forma condensed combined financial statements do not reflect all potential divestitures that may occur prior to, or subsequent to, the completion of the merger (including in order to obtain required regulatory approvals), the projected realization of revenue synergies and cost savings following completion of the merger, or any potential changes in compensation plans. Although Denali projects that revenue synergies and cost savings will result from the merger, there can be no assurance that these will be achieved. Management currently estimates that the annual cost savings will be approximately $3.4 billion resulting from increased efficiencies in the operations of the combined company, as well as initiatives to reduce costs for Denali and EMC on a standalone basis.

3. Accounting Policies

Based on Denali s preliminary review of EMC s accounting policies, Denali has identified a difference between Denali s and EMC s policies in the presentation of accounts receivable. In certain circumstances, EMC presents these balances net of related deferred revenue, while Denali primarily presents these receivables and the related deferred revenue on a gross basis. For the presentation of the unaudited pro forma condensed combined statement of financial position, EMC s presentation has been conformed to Denali s presentation, resulting in an increase in accounts receivable and deferred revenue of $1.9 billion prior to purchase accounting adjustments. Upon the completion of the merger, Denali will perform a further review of EMC s accounting policies. As a result of that review, Denali may identify differences between the accounting policies of the two companies that, when conformed, could have a material impact on the combined financial statements.

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4. Estimate of Consideration Transferred and Assets to be Acquired and Liabilities to be Assumed

The following is a preliminary estimate of the consideration expected to be transferred, assets to be acquired, and liabilities to be assumed by Denali in the merger, reconciled to the estimate of total consideration expected to be transferred:

		(in millions)
Consideration Transferred		
Cash	$	48,614
Class V Common Stock (1)		13,220
Total consideration transferred		**61,834**
Rollover equity (2)		4,875
Total value to allocate	**$**	**66,709**
Purchase Price Allocation:		
Current assets:		
Cash and cash equivalents	$	6,549
Short-term investments		2,726
Accounts receivable, net		5,879
Inventories, net		1,898
Other current assets		566
Total current assets		**17,618**
Property, plant, and equipment, net		3,850
Long-term investments		5,508
Goodwill (3)		36,238
Purchased intangibles, net (4)		34,990
Other non-current assets		2,035
Total assets	**$**	**100,239**
Current liabilities:		
Short-term debt	$	1,299
Accounts payable		1,644
Accrued and other		3,155
Short-term deferred revenue		5,055
Total current liabilities		**11,153**
Long-term debt		5,001
Long-term deferred revenue		3,516
Other non-current liabilities		13,860
Total liabilities	**$**	**33,530**
Total net assets	**$**	**66,709**

(1) The fair value of the Class V Common Stock is based on the assumed issuance of approximately 223 million shares with a per-share fair value of $59.29 (the closing share price of VMware common stock as of May 16, 2016), which shares are intended to track and reflect the economic performance of approximately 65% of EMC s economic interest in the VMware business. While the VMware Class A common stock and the Class V Common Stock have different characteristics, which Denali expects may affect their respective market prices in distinct ways, Denali believes that changes in the market value of VMware common stock prior to the completion of the merger may impact the market value of the Class V Common Stock at the time the merger is completed. The actual fair values at the time of the merger may differ, and the difference may be material. A 10% change in the fair value of the Class V Common Stock would change the value of goodwill by approximately $1.3 billion.

(2) Rollover equity is comprised of non-controlling interests of $4.9 billion. The fair value of the non-controlling interest relating to VMware was calculated by multiplying outstanding shares of VMware common stock that were not owned by EMC by $59.29 (the closing price of VMware common stock as of May 16, 2016). A 10% change in the fair value of VMware s share price would change the value of

goodwill by approximately $478 million. For the purposes of these unaudited pro forma condensed combined financial statements, it was assumed that the fair value of the non-controlling interest in Pivotal is equal to book value as this amount is not material.

(3) Goodwill is calculated as the difference between the acquisition date fair value of the total consideration expected to be transferred and the aggregate values assigned to the assets acquired and liabilities assumed. Goodwill is not amortized. The consideration transferred assumes that the vesting of EMC s outstanding stock options and restricted stock units will be accelerated prior to the effective time of the merger. Pursuant to the guidelines of ASC 805, a portion of the consideration related to these equity awards will be recorded as day one post-acquisition stock compensation expense with a corresponding decrease in the amount of the purchase price that is allocated to goodwill. For the purposes of the unaudited pro forma condensed combined statement of financial position, we have not made any adjustment for the expected day one post-acquisition stock compensation expense as it is not factually supportable, however, based on current estimates we expect the day one post-acquisition stock compensation expense and related goodwill impact to be approximately $0.8 billion to $1.0 billion.

(4) As of completion of the merger, identifiable intangible assets are required to be measured at fair value, and these acquired assets could include assets that are not intended to be used or sold or that are intended to be used in a manner other than their highest and best use. For purposes of these unaudited pro forma condensed combined financial statements and consistent with the ASC 820 requirements for fair value measurements, it is assumed that all assets will be used, and that all acquired assets will be used in a manner that represents the highest and best use of those acquired assets.

The fair value of identifiable intangible assets is determined primarily using variations of the income approach, which is based on the present value of the future after-tax cash flows attributable to each identifiable intangible asset. Other valuation methods, including the market approach and cost approach, were also considered in estimating the fair value.

As of the date of this proxy statement/prospectus, Denali does not have sufficient information as to the amount, timing, and risk of the cash flows from all of EMC s identifiable intangible assets to definitively determine their fair value. Under the HSR Act and other relevant laws and regulations, there are significant limitations on Denali s ability to obtain specific information about EMC s intangible assets prior to the completion of the merger. Some of the more significant assumptions inherent in the development of intangible asset values, from the perspective of a market participant, include, but are not limited to: the amount and timing of projected future cash flows (including revenue and profitability); the discount rate selected to measure the risks inherent in the future cash flows; the assessment of the asset s life cycle; and the competitive trends impacting the asset. However, for purposes of these unaudited pro forma condensed combined financial statements and using publicly available information, such as historical revenues, EMC s cost structure, industry information for comparable intangible assets and certain other high-level assumptions, the fair value of EMC s identifiable intangible assets, and their weighted-average useful lives have been preliminarily estimated as follows:

	Estimated life (years)	**Estimated fair value (in millions)**
Developed technology	7	$ 22,990
Customer relationships	10	4,400
In-process research and development	Indefinite	2,740
Trade names	Indefinite	4,860

Total identifiable intangible assets	**$**	**34,990**

These preliminary estimates of fair value and weighted-average useful life will likely be different from the amounts included in the final acquisition accounting, and the difference could have a material impact on the accompanying unaudited pro forma condensed combined financial statements. Once Denali has full access to information about EMC s intangible assets, additional insight will be gained that could impact (i) the

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estimated total value assigned to identifiable intangible assets, (ii) the estimated allocation of value between finite-lived and indefinite-lived intangible assets (as applicable) and/or (iii) the estimated weighted-average useful life of each category of intangible assets. The estimated intangible asset values and their useful lives could be impacted by a variety of factors that may become known to Denali only upon access to additional information and/or by changes in such factors that may occur prior to completion of the merger. These factors include, but are not limited to, changes in the regulatory, legislative, legal, technological, and/or competitive environments. Increased knowledge about these and/or other elements could result in a change to the estimated fair value of the identifiable EMC intangible assets and/or to the estimated weighted-average useful lives from what Denali has assumed in these unaudited pro forma condensed combined financial statements. The combined effect of any such changes could then also result in a significant increase or decrease to Denali s estimate of associated amortization expense.

As of the completion of the merger, various other assets and liabilities are required to be measured at fair value, including, but not limited to: receivables, property, plant, and equipment, leases, and legal contingencies. As of the date of this proxy statement/prospectus, Denali does not have sufficient information to make a reasonable preliminary estimate of the fair value of these assets and liabilities. Accordingly, for the purposes of these unaudited pro forma condensed combined financial statements, Denali has assumed that the historical EMC book values represent the best estimate of fair value.

5. Sources and Uses of Cash

The following is a preliminary estimate of the sources and uses of cash for the merger:

			(in millions)
Cash from historical balance sheet	(1)	$	6,088
Anticipated net proceeds from disposition of Dell Services	(2)		2,700
Liquidation of investments	(3)		3,218
Debt incurred	(4)		43,150
Issuance of equity	(5)		4,250
Total Sources		**$**	**59,406**
Cash consideration to EMC s shareholders	(6)	$	48,614
Refinance existing EMC debt	(7)		1,299
Refinance existing Denali debt	(8)		7,745
Transaction costs	(9)		1,748
Total Uses		**$**	**59,406**

(1) Represents the amount of existing Denali and EMC cash that is expected to be used to finance the merger.
(2) Represents an estimated $2.7 billion of cash consideration from the disposition of Dell Services. This represents $3.1 billion of total cash consideration net of estimated cash taxes of $0.4 billion.
(3) Represents the sale of investments to raise cash as a financing source for the merger.

(4) Upon the closing of the merger, Denali will incur approximately $43.2 billion of debt consisting of a revolving loan, term loans, senior notes, a margin loan, and other permanent financing. Denali has debt financing commitments for up to $49.5 billion in the aggregate. Net proceeds of the Dell Services disposition are expected to be used to effectuate the merger. However, if the disposition is not consummated before the completion of the merger, Denali intends to enter into a $2.2 billion one-year senior unsecured asset sale bridge facility and increase borrowings under the term loan facilities by $0.5 billion.

(5) Upon the closing of the merger, Denali expects to issue approximately 155 million shares of DHI Group common stock at a price of $27.50 per share in a private placement.

(6) Represents cash payments to EMC s shareholders consisting of $24.05 per share based on an estimated 2 billion shares outstanding, including the assumed vesting of outstanding stock options and restricted stock units.

(7) Represents the repayment of $1.3 billion of EMC s short-term debt.

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(8) Represents the repayment of $7.7 billion of Denali s notes and term loans, including accrued interest and prepayment penalties.

(9) Represents estimated transaction costs relating primarily to debt issuance costs, as well as financial advisory, legal, and accounting costs.

6. Pro Forma Adjustments

Pro Forma Adjustments to the Statement of Loss:

(a) To record the decrease in revenue related to the decrease in fair value of EMC s deferred revenue based on the purchase price allocation. As a portion of EMC s deferred revenue relates to three-year maintenance contracts, it is expected that EMC s revenue will be impacted by the fair value adjustment recorded in acquisition accounting for up to three years.

(b) To record the change in intangible asset amortization based on the purchase price allocation as follows:

(in millions)	**Year Ended January 29, 2016**
Historical intangible amortization:	
Products, cost of net revenue	$ 246
Research, development, and engineering	6
Selling, general, and administrative	147
Total historical intangible amortization	**$ 399**
Pro forma amortization:	
Products, cost of net revenue	3,284
Selling, general, and administrative	440
Total pro forma amortization	**$ 3,724**
Amortization adjustment:	
Products, cost of net revenue	3,038
Research, development, and engineering	(6)
Selling, general, and administrative	293
Net pro forma adjustment	**$ 3,325**

(c) To record the elimination of sales activity between Denali and EMC as such sales would represent intercompany transactions if the merger had occurred on January 31, 2015.

(d) To eliminate historical amortization of capitalized software as its fair value is recorded in developed technology in the preliminary purchase price allocation.

(e) To record the increase in interest expense due to the incurrence of $43.2 billion of debt to finance the merger, the decrease in interest expense related to the debt of Denali and EMC that is to be repaid as part of the merger, and the recording of the debt at fair value based on the preliminary purchase price allocation as follows:

(in millions)	**Year Ended January 29, 2016**
Interest expense and amortization of debt issuance costs on new debt	$ 2,200
Less: interest expense and amortization of debt issuance costs on Denali s refinanced debt	(388)
Less: interest expense on EMC s refinanced debt	(3)
Plus: amortization of change in fair value of acquired debt	101
Total interest expense adjustment	**$ 1,910**

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The weighted-average interest rate of new debt incurred is assumed to be 4.58%. A change in the assumed weighted average interest rate of 0.125% would cause a corresponding increase or decrease in the annual interest expense by $54 million.

(f) To eliminate historical investment income relating to investments that will be liquidated as a financing source for the merger.

(g) To eliminate non-recurring transaction costs included in Denali and EMC s historical results, which are directly attributable to the proposed merger.

(h) To record the issuance of 155 million shares of DHI Group common stock and 223 million shares of Class V Common Stock in conjunction with the acquisition and calculate earnings per share under the two-class method due to the issuance of Class V Common Stock. Income allocable to Class V and DHI Group shareholders is calculated as follows:

(in millions)	**Year Ended January 29, 2016**
Pro forma Class V Group income from continuing operations attributable to Denali	$ 806
Class V tracking share percentage of Denali s economic interest in VMware	65%
Pro forma net income from continuing operations attributable to Class V shareholders [(1)]	**$ 524**
Pro forma net loss from continuing operations attributable to common shareholders	$ (3,573)
Less: Pro forma net income from continuing operations attributable to Class V shareholders	524
Pro forma net loss from continuing operations attributable to DHI Group shareholders	**$ (4,097)**

(1) For the purposes of calculating diluted EPS, pro forma net income attributable to Class V shareholders has been adjusted by $3 million for the year ended January 29, 2016 to reflect 65% of the incremental dilution of VMware s dilutive securities as reflected in EMC s financial statements incorporated by reference within this proxy statement/prospectus.

(i) To record the income tax expense impact of the pro forma adjustments at the statutory rate of 35%. Denali and EMC operate in multiple jurisdictions, and therefore, the statutory rate may not be reflective of the actual impact of the tax effects of the adjustments.

(j) To record the impact of the pro forma adjustments above to non-controlling interests as follows:

(in millions)	**Year Ended January 29, 2016**
Non-controlling interest impact of change in amortization expense	$ 159
Non-controlling interest impact of deferred revenue haircut	154
Total non-controlling interest adjustment	**$ 313**

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Pro Forma Adjustments to the Statement of Financial Position:

(a) To record the adjustment to the cash balance to effectuate the merger and to eliminate the assets and liabilities held for sale, as follows:

	(in millions)
Cash received from debt incurred	$ 43,150
Cash received from equity issuance	4,250
Cash received from liquidation of investments	3,218
Net cash received from disposition of Dell Services	2,700
Cash consideration for EMC s shareholders	(48,614)
Repayment of EMC s existing short-term debt	(1,299)
Repayment of Denali s existing short- and long-term debt, including accrued interest and prepayment penalties	(7,745)
Transaction costs	(1,748)
Total cash adjustment	**$ (6,088)**

The Dell Services assets held for sale consisting of $1.7 billion in assets and $0.6 billion in liabilities are expected to be sold for an estimated $2.7 billion ($3.1 billion cash consideration net of estimated cash taxes of $0.4 billion). The net cash of $2.7 billion expected to be received from the anticipated disposition of Dell Services has been included within the cash adjustment as these proceeds will be utilized to effectuate the merger. No pro forma adjustment has been made for any possible tax liabilities resulting from the repatriation of cash currently held in foreign jurisdictions.

(b) To write off the short-term portion of historical debt issuance costs related to Denali debt to be repaid in conjunction with the merger.

(c) To record the write-up of inventory to fair value based on the preliminary purchase price allocation.

(d) To record the adjustment to EMC s accounts receivable to conform with Denali s accounting policy. See note (k) below for the related adjustment to deferred revenue.

(e) To record the sale of investments used to raise cash as a financing source for the merger.

(f) To eliminate the short-term debt that is being repaid in conjunction with the merger and record the short-term portion of long-term debt to be incurred as follows:

(in millions)

Historical short-term Denali and EMC debt repaid	$	(1,736)
Short-term portion of debt incurred in conjunction with the merger		246
Total short-term debt adjustment	**$**	**(1,490)**

(g) To record the adjustment to goodwill based on the preliminary purchase price allocation, as follows:

		(in millions)
Elimination of EMC s historical goodwill	$	(17,090)
Goodwill from preliminary purchase price allocation		36,238
Total goodwill adjustment	**$**	**19,148**

(h) To record the adjustment to intangible assets based on the preliminary purchase price allocation, as follows:

		(in millions)
Elimination of EMC s historical intangible assets	$	(2,149)
Intangible assets from preliminary purchase price allocation		34,990
Total intangible asset adjustment	**$**	**32,841**

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(i) To record the adjustment to the long-term debt balance, as follows:

	(in millions)
Long-term debt incurred in conjunction with the merger	$ 42,904
Discount on new debt	(112)
Historical long-term Denali debt repaid, including accrued interest	(7,209)
Write-off of historical Denali debt discount	46
Fair value adjustment for purchase price allocation	(474)
Total long-term debt adjustment	**$ 35,155**

Denali will incur debt in the form of a revolving loan, term loans, senior notes, a margin loan and other permanent financing with interest rates ranging from 2% to up to 9% and maturities ranging from 1-30 years.

(j) To adjust other non-current assets for the write-off of historical capitalized software and Denali debt issuance costs and to record debt issuance costs on the new debt as follows:

	(in millions)
Elimination of EMC s historical capitalized software	$ (917)
Elimination of Denali s historical debt issuance costs	(91)
Record debt issuance costs on new debt	885
Total other non-current assets adjustment	**$ (123)**

(k) To record the adjustment to conform EMC s accounting policy and the estimated fair value of EMC s deferred revenue as follows:

	(in millions)
Adjustment to conform with Denali s accounting policy	$ 1,320
Fair value adjustment to short-term deferred revenue	(2,475)
Total short-term deferred revenue adjustment	**$ (1,155)**

	(in millions)
Adjustment to conform with Denali s accounting policy	$ 582
Fair value adjustment to long-term deferred revenue	(1,658)
Total long-term deferred revenue adjustment	**$ (1,076)**

(1) To record the adjustment of income tax payable as follows:

		(in millions)
Reduction in tax payable associated with EMC s outstanding equity awards	$	(577)
Reduction in tax payable for deferred financing cost deduction		(59)
Reduction in tax payable for transaction expenses		(184)
Reduction in tax payable for Denali debt prepayment penalty		(34)
Total income tax payable adjustment	**$**	**(854)**

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(m) To record the adjustment of deferred tax liabilities (assets) as follows:

	(in millions)
Elimination of EMC s historical DTL on capitalized software	$ (358)
Elimination of EMC s historical DTL for hedging loss	(55)
Elimination of EMC s historical DTL for prior intercompany gain transactions	(138)
Elimination of EMC s historical deferred charge related to intercompany transfers	94
Elimination of EMC s historical DTA on outstanding equity awards	144
Elimination of EMC s historical DTA for unrecognized losses on investment securities	62
Record DTL for fair value adjustment increasing book basis in inventory	229
Record DTL for fair value adjustment increasing book basis in identifiable intangibles	11,494
Record DTL for fair value adjustment to deferred revenue	1,447
Total deferred tax adjustment	**$ 12,919**

(n) To eliminate EMC s historical common stock and record the issuance of common stock to finance the merger as follows:

	(in millions)
Elimination of EMC s common stock	$ (19)
Issuance of DHI Group common stock	4,250
Issuance of Class V Common Stock	13,220
Total common stock adjustment	**$ 17,451**

(o) To elimina