

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                       Filed by a Party other than the Registrant

Check the appropriate box:

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**

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**(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:

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- 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,



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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.

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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](http://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



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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;

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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 Venezia 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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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](http://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

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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](http://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](http://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.

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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

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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,

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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.

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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.

**Table of Contents*****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.



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**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](http://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](http://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.

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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:

<b>Proposal</b>		<b>Vote Necessary*</b>
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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**Table of Contents****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



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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





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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



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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;

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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

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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);

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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

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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:

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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;

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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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*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

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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;



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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*.



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**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 particular 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;



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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

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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.

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**Table of Contents****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.

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**Table of Contents****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

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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.





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**Table of Contents****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

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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

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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



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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.

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**Table of Contents****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;

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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 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 direct