

VMware, Inc.

**RECONCILIATION OF GAAP OPERATING CASH FLOWS TO NON-GAAP OPERATING
CASH FLOWS, FREE CASH FLOWS AND FREE CASH FLOWS PER SHARE**

For the Three Months Ended June 30, 2011 and 2010

(in thousands)

(unaudited)

	For the Three Months Ended June 30,	
	2011	2010
GAAP cash flows from operating activities	\$ 462,796	\$ 216,123
Capitalized software development costs	(25,437)	(19,310)
Excess tax benefits from stock-based compensation	101,256	64,583
Non-GAAP cash flows from operating activities	538,615	261,396
Capital Expenditures	(95,186)	(28,996)
Free Cash Flows	<u>\$ 443,429</u>	<u>\$ 232,400</u>
Free cash flows per weighted-average share, diluted for Class A and Class B	\$ 1.03	\$ 0.55
Weighted-average shares, diluted for Class A and Class B	430,473	422,333

VMware, Inc.

**RECONCILIATION OF GAAP OPERATING CASH FLOWS TO NON-GAAP OPERATING
CASH FLOWS, FREE CASH FLOWS AND FREE CASH FLOWS PER SHARE**

For the Trailing Twelve Months Ended June 30, 2011 and 2010

(in thousands)

(unaudited)

	For the Trailing Twelve Months Ended June 30,	
	2011	2010
GAAP cash flows from operating activities	\$1,544,027	\$ 1,054,132
Capitalized software development costs	(75,837)	(65,102)
Excess tax benefits from stock-based compensation	286,220	110,242
Non-GAAP cash flows from operating activities	1,754,410	1,099,272
Capital Expenditures	(193,819)	(97,815)
Free Cash Flows	<u>\$1,560,591</u>	<u>\$ 1,001,457</u>
Free cash flows per weighted-average share, diluted for Class A and Class B	\$ 3.64	\$ 2.42
Weighted-average shares, diluted for Class A and Class B	428,546	413,262