

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name VMWARE, INC.		2 Issuer's employer identification number (EIN) 94-3292913	
3 Name of contact for additional information MANAGER		4 Telephone No. of contact 650-427-8670	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 3401 HILLVIEW AVENUE		5 Email address of contact IR@VMWARE.COM	
8 Date of action DECEMBER 28, 2018		7 City, town, or post office, state, and ZIP code of contact PALO ALTO, CA 94304	
9 Classification and description CLASS A COMMON STOCK & CLASS B COMMON STOCK			
10 CUSIP number 928563402	11 Serial number(s) N/A	12 Ticker symbol VMW	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **ON DECEMBER 28, 2018, THE ISSUER MADE A CASH DISTRIBUTION TO ITS COMMON SHAREHOLDER. THE CASH DISTRIBUTION TO SHAREHOLDERS ARE CURRENTLY EXPECTED TO EXCEED CURRENT AND ACCUMULATED EARNINGS AND PROFITS OF THE ISSUER.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **THE ISSUER IS EXPECTING TO EXHAUST ALL CURRENT AND ACCUMULATED EARNINGS AND PROFITS. THE DISTRIBUTION, AS DESCRIBED ABOVE, 62.04% WILL BE TREATED AS A TAXABLE DIVIDEND AND 37.96% WILL BE TREATED AS RETURN OF BASIS. GENERALLY, THE PORTION OF THE DISTRIBUTION ON COMMON STOCK THAT IS TREATED AS A RETURN OF BASIS WILL REDUCE SHAREHOLDER BASIS TO THE EXTENT THEREOF. TO THE EXTENT THAT ANY DISTRIBUTION EXCEEDS SHAREHOLDER BASIS, SUCH EXCESS WILL BE CAPITAL GAIN TO THE SHAREHOLDER.**

THE TAX BASIS OF THE SHAREHOLDER' SHARES IS DECREASED BY THE PER SHARE AMOUNT OF THE NON-TAXABLE RETURN OF BASIS, PROVIDED BELOW IN #16, MULTIPLIED BY THE NUMBER OF SHARES THE SHAREHOLDER OWNS.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **AS DESCRIBED ABOVE, THE ISSUER HAS DETERMINED THAT OF SUCH DISTRIBUTIONS ABOVE, 62.04% WILL BE TREATED AS A TAXABLE DIVIDEND AND 37.96% WILL BE TREATED AS A RETURN OF BASIS TO THE EXTENT THEREOF.**

RECORD DATE	PAYMENT DATE	COMMON SHARE DISTRIBUTION	TAXABLE DIVIDEND	NON-TAXABLE RETURN OF BASIS
12/27/2018	12/28/2018	\$26.81	\$16.63	\$10.18

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ►
DISTRIBUTIONS TO SHAREHOLDERS SHALL BE REPORTED AS DIVIDENDS TO THE EXTENT OF THE CORPORATION'S EARNINGS AND PROFITS IN ACCORDANCE WITH SECTION 316. TO THE EXTENT DISTRIBUTIONS EXCEED CURRENT AND ACCUMULATED EARNINGS AND PROFITS UNDER SECTION 312, SHAREHOLDERS MUST APPLY THE RULES OF SECTION 301(C) TO DETERMINE IF THE DISTRIBUTIONS ARE A RETURN OF BASIS UNDER SECTION 301(C)(2), OR CAPITAL GAIN UNDER SECTION 301(C)(3).

18 Can any resulting loss be recognized? ► **NO**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ►
PURSUANT TO IRC 6045, BROKERS ARE REQUIRED TO REFLECT THESE ADJUSTMENTS IN COST BASIS REPORTING FOR COVERED SECURITIES. IF A BROKER IS NOT REQUIRED TO PROVIDE COST BASIS TO A PARTICULAR SHAREHOLDER, THE COST BASIS OF THE SHAREHOLDERS'S SHARES SHOULD BE ADJUSTED AS OF THE DISTRIBUTION DATE TO REFLECT THE RETURN OF CAPITAL DESCRIBED ABOVE. THE FINAL AMOUNT OF TAXABLE DIVIDEND AND AMOUNT IN EXCESS OF EARNINGS AND PROFITS (I.E. NON-DIVIDEND DISTRIBUTIONS) WILL BE REPORTED TO SHAREHOLDERS ON THE FORM 1099-DIV.

THE REPORTABLE TAX YEAR IS 2018.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ► Jim Blake Date ► 3/20/2019
Print your name ► **JIM BLAKE** Title ► **VICE PRESIDENT of TAX**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ►			Firm's EIN ►	
	Firm's address ►			Phone no.	