

VMware, Inc.

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

(in thousands)
(unaudited)

	For the Three Months Ended	
	March 31,	
	2012	2011
GAAP cash flows from operating activities	\$ 576,604	\$ 477,917
Capitalized software development costs	—	(27,422)
Excess tax benefits from stock-based compensation	53,682	50,008
Non-GAAP cash flows from operating activities	630,286	500,503
Capital Expenditures	(33,671)	(27,046)
Free Cash Flows	<u>\$ 596,615</u>	<u>\$ 473,457</u>
Free cash flows per weighted-average share, diluted for Class A and Class B	\$ 1.38	\$ 1.10
Weighted-average shares, diluted for Class A and Class B	433,213	429,247

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(in thousands)
(unaudited)

	For the Twelve Months Ending March 31,	
	2012	2011
GAAP cash flows from operating activities	\$ 2,124,320	\$ 1,297,354
Capitalized software development costs	(46,576)	(69,710)
Excess tax benefits from stock-based compensation	228,177	249,547
Non-GAAP cash flows from operating activities	2,305,921	1,477,191
Capital Expenditures	(236,716)	(127,629)
Free Cash Flows	<u>\$ 2,069,205</u>	<u>\$ 1,349,562</u>
Free cash flows per weighted-average share, diluted for Class A and Class B	\$ 4.79	\$ 3.16
Weighted-average shares, diluted for Class A and Class B	431,736	426,511