

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 December 31, 2011 and 2010

(in thousands)

(unaudited)

	For the Three Months Ended December 31,	
	2011	2010
GAAP cash flows from operating activities	\$ 561,409	\$ 406,615
Capitalized software development costs	—	(15,955)
Excess tax benefits from stock-based compensation	26,811	56,253
Non-GAAP cash flows from operating activities	588,220	446,913
Capital Expenditures	(52,911)	(40,450)
Free Cash Flows	<u>\$ 535,309</u>	<u>\$ 406,463</u>
Free cash flows per weighted-average share, diluted for Class A and Class B	\$ 1.24	\$ 0.95
Weighted-average shares, diluted for Class A and Class B	431,375	427,883

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

For the Year Ended December 31, 2011 and 2010

(in thousands)

(unaudited)

	For the Year Ended December 31,	
	2011	2010
GAAP cash flows from operating activities	\$ 2,025,633	\$ 1,174,389
Capitalized software development costs	(73,998)	(64,149)
Excess tax benefits from stock-based compensation	224,503	223,457
Non-GAAP cash flows from operating activities	2,176,138	1,333,697
Capital Expenditures	(230,091)	(131,695)
Free Cash Flows	<u>\$ 1,946,047</u>	<u>\$ 1,202,002</u>
Free cash flows per weighted-average share, diluted for Class A and Class B	\$ 4.51	\$ 2.84
Weighted-average shares, diluted for Class A and Class B	431,750	423,446