

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, 2010 and 2009

(in thousands)

(unaudited)

	For the Three Months Ended December 31,	
	2010	2009
GAAP cash flows from operating activities	\$ 406,615	\$ 283,691
Capitalized software development costs	(15,955)	(15,087)
Excess tax benefits from stock-based compensation	56,253	13,376
Non-GAAP cash flows from operating activities	\$ 446,913	\$ 281,980
Capital Expenditures	(40,450)	(23,462)
Free Cash Flows	<u>\$ 406,463</u>	<u>\$ 258,518</u>
Free cash flows per weighted-average share, diluted for Class A and Class B	\$ 0.95	\$ 0.63
Weighted-average shares, diluted for Class A and Class B	427,883	410,973

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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, 2010 and 2009

(in thousands)

(unaudited)

	For the Year Ended December 31,	
	2010	2009
GAAP cash flows from operating activities	\$1,174,389	\$ 985,616
Capitalized software development costs	(64,149)	(68,611)
Excess tax benefits from stock-based compensation	223,457	26,214
Non-GAAP cash flows from operating activities	\$1,333,697	\$ 943,219
Capital Expenditures	(131,695)	(103,375)
Free Cash Flows	<u>\$1,202,002</u>	<u>\$ 839,844</u>
Free cash flows per weighted-average share, diluted for Class A and Class B	\$ 2.84	\$ 2.10
Weighted-average shares, diluted for Class A and Class B	423,446	399,776