

VMware, Inc.

**RECONCILIATION OF GAAP CASH FLOWS FROM OPERATING ACTIVITIES
TO NON-GAAP FREE CASH FLOWS**

For the Three Months Ended September 30, 2009 and 2008

(in thousands)

(unaudited)

	For the Three Months Ended September 30,	
	2009	2008
GAAP cash flows from operating activities	\$ 199,366	\$ 243,505
Capitalized software development costs	(8,844)	(37,961)
Excess tax benefits from stock-based compensation	8,365	5,844
Additions to property and equipment	(14,245)	(32,664)
Non-GAAP free cash flows	<u>\$ 184,642</u>	<u>\$ 178,724</u>