

Eschenbach Carl M.
Form 4
July 26, 2011

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Eschenbach Carl M.

2. Issuer Name and Ticker or Trading Symbol
VMWARE, INC. [VMW]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
3401 HILLVIEW AVE.

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
07/22/2011

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Co-President, Customer Ops

PALO ALTO, CA 94304

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
____ Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
Class A Common Stock	07/22/2011		M		14,584 A \$ 23 0	D	
Class A Common Stock	07/22/2011		M		3,125 A \$ 30.8 0	D	
Class A Common Stock	07/22/2011		M		15,290 A \$ 21.87 0	D	
Class A Common	07/22/2011		S		32,999 D \$ 99,103	D	
					(1) (2) 107.01		

Stock

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right-to-buy)	\$ 23	07/22/2011		M	14,584	<u>(3)</u> 06/08/2013	Class A Common Stock	14,584	
Employee Stock Option (right-to-buy)	\$ 30.8	07/22/2011		M	3,125	<u>(4)</u> 06/15/2015	Class A Common Stock	3,125	
Employee Stock Option (right-to-buy)	\$ 21.87	07/22/2011		M	15,290	<u>(5)</u> 05/03/2016	Class A Common Stock	15,290	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Eschenbach Carl M. 3401 HILLVIEW AVE. PALO ALTO, CA 94304			Co-President, Customer Ops	

Signatures

/s/ Larry Wainblat,
attorney-in-fact

07/26/2011

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) Price represents weighted average for sales reported. The range of prices for the sales reported is \$107.00 through \$107.03.
- (2) The reporting person will provide upon request by the Securities and Exchange Commission staff, the issuer or a security holder of the issuer, full information regarding the number of shares sold at each separate price.
- (3) The option, representing a right to purchase a total of 350,000 shares of Class A Common stock, became exercisable with respect to 25% of the shares on June 8, 2008. Thereafter, the remaining 75% of the option vested in equal monthly installments over three years.
- (4) This option, representing a right to purchase 50,000 shares of Class A Common Stock, became exercisable as to 25% of the shares on June 1, 2010. Thereafter, the remaining 75% of the option vests in equal monthly installments over three years.
- (5) The option, representing a right to purchase a total of 61,158 shares of Class A Common stock, became exercisable with respect to 25% of the shares on May 3, 2008. Thereafter, the remaining 75% of the option vested in equal monthly installments over three years.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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