

VMWARE, INC.
Form 4
August 13, 2008

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *
Garde Rashmi

(Last) (First) (Middle)
3401 HILLVIEW AVENUE
(Street)

PALO ALTO, CA 94304

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
08/11/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
VP and General Counsel

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

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 Indirect Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | Code | V | Amount | (A) or (D) | Price |
| Class A Common Stock | 08/11/2008 | | M | | 58,333 | A | \$ 23 0 |
| Class A Common Stock | 08/11/2008 | | S | | 37,533 | D | \$ 36.3 (1) (3) 0 |
| Class A Common Stock | 08/11/2008 | | S | | 20,800 | D | \$ 36.91 (2) (3) 467 (4) 0 |

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

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SEC 1474
(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 Securities (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 | 08/11/2008 | | M | 58,333 | 08/08/2008 06/08/2013 | Class A Common Stock | 58,333 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships |
|---|----------------------------------|
| | Director 10% Owner Officer Other |
| Garde Rashmi 3401 HILLVIEW AVENUE PALO ALTO, CA 94304 | VP and General Counsel |

Signatures

Larry Wainblat,
attorney-in-fact
08/13/2008

__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 price for sales reported. The range of prices for the sales reported is \$35.72 through \$36.72.
- (2) Price represents weighted average price for sales reported. The range of prices for the sales reported is \$36.73 through \$37.13.
- (3) The reporting person will provide upon request by the Commission staff, the issuer or a security holder of the issuer, full information regarding the number of shares sold at each separate price.
- (4) Consists of shares acquired under the VMware, Inc. 2007 Employee Stock Purchase Plan in December 2007 and June 2008.

Remarks:

The transactions reported on this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person

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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