

Nielsen Tod
 Form 4
 September 03, 2010

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 *
 Nielsen Tod

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)

3. Date of Earliest Transaction (Month/Day/Year)
 09/01/2010

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)

3401 HILLVIEW AVE

Chief Operating Officer

(Street)

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

PALO ALTO, CA 94304

(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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) | Price | | |
| Class A Common Stock | 09/01/2010 | | M | 30,000 | A \$ 25.09 | 0 | D |
| Class A Common Stock | 09/01/2010 | | S | 9,420 | D \$ 80.96 | 0 | D |
| Class A Common Stock | 09/01/2010 | | S | 20,580 | D \$ 81.43 | 0 | D |
| Class A Common | 09/02/2010 | | M | 30,000 | A \$ 25.09 | 0 | D |

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Stock

Class A

Common 09/02/2010 S 30,000 D \$ 82.5 179,233 ⁽⁵⁾ D
 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 Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Stock Option (right-to-buy) | \$ 25.09 | 09/01/2010 | | M | 30,000 | ⁽⁴⁾ 02/13/2015 | Class A Common Stock 30,000 |
| Stock Option (right-to-buy) | \$ 25.09 | 09/02/2010 | | M | 30,000 | ⁽⁴⁾ 02/13/2015 | Class A Common Stock 30,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Nielsen Tod 3401 HILLVIEW AVE PALO ALTO, CA 94304 | | | Chief Operating Officer | |

Signatures

Larry Wainblat,
attorney-in-fact 09/03/2010

 **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 \$80.24 through \$81.23.
- (2) 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.
- (3) Price represents weighted average for sales reported. The range of prices for the sales reported is \$81.24 through \$81.69.
The option, representing a right to purchase a total of 400,000 shares of Class A Common stock, became exercisable as to one-quarter of the shares on February 13, 2010, and vests in 36 equal monthly installments as to the remaining shares until fully exercisable on February 13, 2013.
- (5) Includes 193 shares acquired under the VMware, Inc. Employee Stock Purchase plan in July, 2010.

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.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.