

Eschenbach Carl M.
Form 4
July 28, 2008

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)
07/24/2008

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP Worldwide Field Operations

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 or Price | | |
| Class A Clommon Stock | 07/24/2008 | | M | | 25,000 A \$ 23 0 | | D |
| Class A Clommon Stock | 07/24/2008 | | S | | 5,000 D \$ 35.75 0 | | D |
| Class A Clommon Stock | 07/24/2008 | | S | | 5,100 D \$ 35.7 0 | | D |
| Class A Clommon | 07/24/2008 | | S | | 10,000 D \$ 35.6 0 | | D |

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| | | | | | | | | |
|-----------------------------|------------|---|--------|---|-------------|-----------------------|--|---|
| Stock | | | | | | | | |
| Class A Clommon Stock | 07/24/2008 | S | 1,066 | D | \$ 35.62 | 0 | | D |
| Class A Clommon Stock | 07/24/2008 | S | 3,834 | D | \$ 35.55 | 25,645 ⁽¹⁾ | | D |
| Class A Clommon Stock | 07/28/2008 | M | 25,000 | A | \$ 23 | 0 | | D |
| Class A Clommon Stock | 07/28/2008 | S | 200 | D | \$ 33.19 | 0 | | D |
| Class A Clommon Stock | 07/28/2008 | S | 3,600 | D | \$ 33.2 | 0 | | D |
| Class A Clommon Stock | 07/28/2008 | S | 700 | D | \$ 33.21 | 0 | | D |
| Class A Clommon Stock | 07/28/2008 | S | 200 | D | \$ 33.22 | 0 | | D |
| Class A Clommon Stock | 07/28/2008 | S | 200 | D | \$ 33.23 | 0 | | D |
| Class A Clommon Stock | 07/28/2008 | S | 8,900 | D | \$ 33.25 | 0 | | D |
| Class A Clommon Stock | 07/28/2008 | S | 400 | D | \$ 33.26 | 0 | | D |
| Class A Clommon Stock | 07/28/2008 | S | 300 | D | \$ 33.27 | 0 | | D |
| Class A Clommon Stock | 07/28/2008 | S | 200 | D | \$ 33.28 | 0 | | D |
| Class A Clommon Stock | 07/28/2008 | S | 9,600 | D | \$ 33.3 | 0 | | D |
| Class A Clommon Stock | 07/28/2008 | S | 500 | D | \$ 33.31 | 0 | | D |

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| | | | | | | | |
|-----------------------------|------------|---|-----|---|-------------|-----------------------|---|
| Class A Clommon Stock | 07/28/2008 | S | 100 | D | \$ 33.32 | 0 | D |
| Class A Clommon Stock | 07/28/2008 | S | 100 | D | \$ 33.33 | 25,645 ⁽¹⁾ | D |

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

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

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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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount or Number of Shares |
| Employee Stock Option (right to buy) | \$ 23 | 07/24/2008 | | M | 25,000 | 06/08/2008 06/08/2013 | Class A Common Stock 25,000 |
| Employee Stock Option (right to buy) | \$ 23 | 07/28/2008 | | M | 25,000 | 06/08/2008 06/08/2013 | Class A Common Stock 25,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|--------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Eschenbach Carl M. 3401 HILLVIEW AVE. PALO ALTO, CA 94304 | | | EVP Worldwide Field Operations | |

Signatures

/s/ Rashmi Garde,
attorney-in-fact

07/28/2008

__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) Includes 163 shares acquired under the VMware, Inc. 2007 Employee Stock Purchase Plan in June 2008.

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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