

INFORMATION ON VMWARE DIVIDEND U.S. FEDERAL TAX TREATMENT

December 28, 2018

This document provides information regarding U.S. federal tax treatment of the special dividend of \$26.81 per share paid by VMware to its stockholders on December 28, 2018. This information is current as of the date set forth above and may be updated from time to time as further information is known and can be made publicly available.

This information is intended to supplement, and not replace, information provided on Form 8937 (Report of Organizational Actions Affecting Basis of Securities) available on VMware's Investor Relations webpage at ir.vmware.com and the Form 1099-DIV you will receive from your broker or bank where you hold your VMware shares.

Estimated U.S. Federal Tax Treatment We currently estimate that, for federal tax purposes, 60.39% of the conditional special dividend (\$16.19 per share) will be treated as a taxable dividend, with the other 39.61% of the conditional special dividend (\$10.62 per share) being first treated as a return on capital to stockholders to the extent of their basis in VMware common stock, and then as capital gain.

Estimate is not Final The tax treatment of the dividend will be based on VMware's current and accumulated earnings and profits for the fiscal year during which the dividend is paid. The process of determining current and accumulated earnings and profits requires a final determination of the financial results VMware's fiscal year ended February 1, 2019 ("FY19") and a review of certain other factors. The determination will be based in part on factors that are outside of the control of the Company and which cannot be ascertained at this time.

As a result, we do not expect the calculation of the portion that will be treated as a dividend for tax purposes to be finalized until after the completion of FY19. Accordingly, at payment of the dividend, we have provided an estimate of the portion taxable as a dividend based upon information currently available and we will update that information later in 2019.

Form 1099 and Form 8937 The initial 1099 forms distributed to stockholders in early 2019 by your dividend paying agent (in most cases, your broker or bank through which you hold your VMware shares) will report the portion taxable as a dividend based upon information available then available. Information on the portion of the distribution in excess of current and accumulated earnings and profits (i.e. in excess of the portion taxable as a dividend) is provided in Form 8937 posted on our website at ir.vmware.com.

Updates after Initial Form 1099 may occur. If the calculation of the portion taxable as a dividend is modified following the completion of FY19, amended 1099 forms to stockholders will be delivered later in 2019 and our website posting will be updated.

The precise tax impact of the dividend to specific stockholders depends upon the stockholder's individual tax situation. Stockholders are urged to consult with their personal tax advisors.