

VMWARE, INC.

FORM SC TO-I/A (Amended tender offer statement by Issuer)

Filed 09/08/08

Address	3401 HILLVIEW AVENUE PALO ALTO, CA, 94304
Telephone	(650) 427-5000
CIK	0001124610
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SIC Code	7372 - Services-Prepackaged Software
Industry	IT Services & Consulting
Sector	Technology
Fiscal Year	01/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

SCHEDULE TO

(Amendment No. 2)

(Rule 13e-4)

**Tender Offer Statement Under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934**

VMware, Inc.

(Name of Subject Company (Issuer) and Filing Person (Offeror))

Options to Purchase Class A Common Stock, \$0.01 Par Value Per Share

(Title of Class of Securities)

928563402*

(CUSIP Number of Class of Securities)

**Rashmi Garde, Esq.
Vice President and General Counsel
VMware, Inc.**

**3401 Hillview Avenue
Palo Alto, CA 94304
(650) 427-5000**

(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications On Behalf of Filing Person)

Copies to:

**Sharon Hendricks, Esq.
Heller Ehrman LLP
275 Middlefield Road
Menlo Park, CA 94025
(650) 324-7000**

**David R. Wilson, Esq.
Heller Ehrman LLP
701 Fifth Avenue, Suite 6100
Seattle, WA 98104
(206) 447-0900**

CALCULATION OF REGISTRATION FEE

Transaction Valuation**

\$17,386,311

Amount of Filing Fee***

\$683.28

* Refers to Class A common stock underlying the options.

** Estimated solely for purposes of calculating the amount of the filing fee. The calculation of the Transaction Valuation assumes that all options to purchase shares of the issuer's Class A common stock that may be eligible for exchange in the offer will be tendered pursuant to this offer. These options cover an aggregate of 4,310,525 shares of the issuer's Class A common stock and have an aggregate value of \$17,386,311 as of August 5, 2008, calculated based on a Black-Scholes option pricing model.

*** The amount of the filing fee, calculated in accordance with Rule 0-11(b) of the Securities Exchange Act of 1934, as amended, equals \$39.30 per \$1,000,000 of the aggregate amount of the Transaction Valuation (or .00003930 of the aggregate Transaction Valuation). The Transaction Valuation set forth above was calculated for the sole purpose of determining the filing fee and should not be used for any other purpose.

Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: \$683.28

Form or Registration No.: Schedule TO-I

Filing Party: VMware, Inc.

Date Filed: August 11, 2008

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third party tender offer subject to Rule 14d-1.
- issuer tender offer subject to Rule 13e-4.
- going-private transaction subject to Rule 13e-3.
- amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

SCHEDULE TO
(AMENDMENT NO. 2)

This Amendment No. 2 to Schedule TO amends and supplements the Schedule TO filed by VMware, Inc., a Delaware corporation (the “Company”), with the Securities and Exchange Commission on August 11, 2008, as amended and supplemented by Amendment No. 1 thereto filed with the Securities and Exchange Commission on September 3, 2008 (collectively, the “Schedule TO”), wherein the Company offered to exchange certain outstanding eligible option grants for new option grants, on the terms and subject to the conditions described in the Offer to Exchange Certain Outstanding Stock Options for New Stock Options, dated August 11, 2008.

Item 12 of the Schedule TO is hereby amended and supplemented to add the following exhibit:

(a)(1)(Q) Form of Final Reminder E-Mails to Holders of Eligible Options

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

VMWARE, INC.

By: /s/ Rashmi Garde

Name: Rashmi Garde

Title: Vice President and General Counsel

Date: September 8, 2008

Index to Exhibits

Exhibit No.	Description
(a)(1)(A)*	Offer to Exchange Certain Outstanding Stock Options for New Stock Options dated August 11, 2008
(a)(1)(B)*	Form of E-Mail Announcement of Exchange Offer dated August 11, 2008
(a)(1)(C)*	Highlights of the VMware, Inc. Exchange Offer
(a)(1)(D)*	VMware, Inc. Exchange Offer Election Form
(a)(1)(E)*	VMware, Inc. Notice of Withdrawal
(a)(1)(F)*	Form of Communication to Optionholders Participating in the Exchange Offer Confirming Receipt of Election Form
(a)(1)(G)*	Form of Communication to Optionholders Confirming Receipt of Notice of Withdrawal
(a)(1)(H)*	Form of Confirmation Letter to Optionholders Participating in the Exchange Offer
(a)(1)(I)*	Form of Communication to Optionholders Rejecting the Election Form under the Exchange Offer
(a)(1)(J)*	Form of Communication to Optionholders Rejecting the Notice of Withdrawal under the Exchange Offer
(a)(1)(K)*	Form of Reminder E-Mail to Holders of Eligible Options
(a)(1)(L)*	UBS Availability: Schedule of Locations and Times
(a)(1)(M)	Annual Report on Form 10-K for the year ended December 31, 2007 filed with the Securities and Exchange Commission on February 29, 2008 (SEC File No. 001-33622) and incorporated herein by reference
(a)(1)(N)	Quarterly Report on Form 10-Q for the quarter ended March 31, 2008 filed with the Securities and Exchange Commission on May 9, 2008 (SEC File No. 001-33622) and incorporated herein by reference
(a)(1)(O)	Quarterly Report on Form 10-Q for the quarter ended June 30, 2008 filed with the Securities and Exchange Commission on August 8, 2008 (SEC File No. 001-33622) and incorporated herein by reference
(a)(1)(P)**	Reminder E-Mail to Holders of Eligible Options delivered on September 2, 2008
(a)(1)(Q)***	Form of Final Reminder E-Mails to Holders of Eligible Options
(b)	Not applicable
(d)(1)	2007 Equity and Incentive Plan (filed as an exhibit to the Company's Registration Statement on Form S-1/A-6 filed with the Securities and Exchange Commission on August 9, 2007 (SEC File No. 333-142368) and incorporated herein by reference)
(d)(2)	Form of Option Agreement under the 2007 Equity and Incentive Plan (filed as an exhibit to the Company's Registration Statement on Form S-1/A-1 filed with the Securities and Exchange Commission on June 11, 2007 (SEC File No. 333-142368) and incorporated herein by reference)
(d)(3)	Form of Early Exercise Option Agreement under the 2007 Equity and Incentive Plan (filed as an exhibit to the Company's Registration Statement on Form S-1/A-2 filed with the Securities and Exchange Commission on July 9, 2007 (SEC File No. 333-142368) and incorporated herein by reference)
(d)(4)	Form of Restricted Stock Unit Agreement under the 2007 Equity and Incentive Plan (filed as an exhibit to the Company's Registration Statement on Form S-1/A-1 filed with the Securities and Exchange Commission on June 11, 2007 (SEC File No. 333-142368) and incorporated herein by reference)
(d)(5)	Amended and Restated Certificate of Incorporation (filed as an exhibit to the Company's Registration Statement on Form S-1/A-2 filed with the Securities and Exchange Commission on July 9, 2007 (SEC File No. 333-142368) and incorporated herein by reference)
(d)(6)	Amended and Restated Bylaws (filed as an exhibit to the Company's Registration Statement on Form S-1/A-2 filed with the Securities and Exchange Commission on July 9, 2007 (SEC File No. 333-142368) and incorporated herein by reference)
(d)(7)	2007 Employee Stock Purchase Plan, as amended and restated December 10, 2007 (filed as an exhibit to the Company's annual report on Form 10-K filed with the Securities and Exchange Commission on February 29, 2008 (SEC File No. 001-33622) and incorporated herein by reference)
(d)(8)	EMC Corporation 2003 Stock Plan, as amended (filed as an exhibit to the Definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission by EMC Corporation on March 11, 2005 (SEC File No. 033-03656) and incorporated herein by reference)
(d)(9)	Form of Stock Option Agreement under the EMC 2003 Stock Plan (filed as an exhibit to the quarterly report on Form 10-Q filed with the Securities and Exchange Commission by EMC Corporation on November 3, 2004 (SEC File No. 033-03656) and incorporated herein by reference)
(d)(10)	Form of Restricted Stock Agreement under the EMC 2003 Stock Plan (filed as an exhibit to the quarterly report on Form 10-Q filed with the Securities and Exchange Commission by EMC Corporation on November 3, 2004 (SEC File No. 033-03656) and incorporated herein by reference)

- (d)(11) Form of Master Transaction Agreement between VMware, Inc. and EMC Corporation (filed as an exhibit to the Company's Registration Statement on Form S-1/A-2 filed with the Securities and Exchange Commission on July 9, 2007 (SEC File No. 333-142368) and incorporated herein by reference)
- (d)(12) Promissory Note between VMware, Inc. and EMC Corporation dated April 16, 2007 (filed as an exhibit to the Company's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on June 11, 2007 (SEC File No. 333-142368) and incorporated herein by reference)

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- (d)(13) Class A Common Stock Purchase Agreement between VMware, Inc. and Intel Capital dated July 9, 2007 (filed as an exhibit to the Company's Registration Statement on Form S-1/A-2 filed with the Securities and Exchange Commission on July 9, 2007 (SEC File No. 333-142368) and incorporated herein by reference)
 - (d)(14) Investor Rights Agreement between VMware, Inc. and Intel Capital dated July 9, 2007 (filed as an exhibit to the Company's Registration Statement on Form S-1/A-2 filed with the Securities and Exchange Commission on July 9, 2007 (SEC File No. 333-142368) and incorporated herein by reference)
 - (d)(15) Class A Common Stock Purchase Agreement among VMware, Inc., EMC Corporation and Cisco Systems, Inc. dated July 26, 2007 (filed as an exhibit to the Company's Registration Statement on Form S-1/A-4 filed with the Securities and Exchange Commission on July 27, 2007 (SEC File No. 333-142368) and incorporated herein by reference)
 - (d)(16) Investor Rights Agreement between VMware, Inc. and Cisco Systems, Inc. dated July 26, 2007 (filed as an exhibit to the Company's Registration Statement on Form S-1/A-4 filed with the Securities and Exchange Commission on July 27, 2007 (SEC File No. 333-142368) and incorporated herein by reference)
 - (d)(17) Letter Agreement between VMware, Inc. and Mark Peek dated June 13, 2007 (filed as an exhibit to the Company's annual report on Form 10-K filed with the Securities and Exchange Commission on February 29, 2008 (SEC File No. 001-33622) and incorporated herein by reference)
 - (d)(18) Letter Agreement between VMware, Inc. and Dev R. (Richard) Sarwal dated November 29, 2007 (filed as an exhibit to the Company's annual report on Form 10-K filed with the Securities and Exchange Commission on February 29, 2008 (SEC File No. 001-33622) and incorporated herein by reference)
 - (g) Not applicable
 - (h) Not applicable

* Previously filed with the Securities and Exchange Commission on the Tender Offer Statement on Schedule TO filed by VMware, Inc. on August 11, 2008.

** Previously filed with the Securities and Exchange Commission on Amendment No. 1 to the Tender Offer Statement on Schedule TO filed by VMware, Inc. on September 3, 2008.

*** Filed electronically herewith.

FORM OF FINAL REMINDER E-MAILS TO HOLDERS OF ELIGIBLE OPTIONS

Date: [September 8, 2008] [September 9, 2008]
To: Holders of Eligible Options
Re: OPTION EXCHANGE DEADLINE IS [TOMORROW] [TODAY]- TUESDAY, SEPTEMBER 9 AT 2 PM

Eligible Optionholders:

I am writing to remind you of [tomorrow's] [today's] important deadline for participation in VMware's Exchange Offer for post-IPO stock options granted to U.S. employees. As previously communicated, the Exchange Offer is scheduled to expire [**tomorrow**] [**today**] **Tuesday, September 9, 2008, at 2:00 p.m., Pacific Time** .

If you wish to participate and have not already done so, you must ensure that UBS Financial Services Inc. **receives** your properly completed and signed Election Form before **2:00 p.m., Pacific Time, on September 9, 2008**. If you choose to participate, your replacement option will be granted the day after the deadline, on September 10, 2008 with an exercise price equal to that day's closing trading price.

You must complete and return an Election Form by the deadline in order to participate. For your convenience, a copy of the Election Form we previously distributed to you is attached to this email. Delivery instructions are provided on the Election Form.

Once you send in an Election Form, you may also change your mind and send in a notice of withdrawal at any time prior to the deadline. Documents describing the Exchange Offer and forms for participating in the Exchange Offer, including the notice of withdrawal, are available on the Stock Administration page of our internal website at <https://vmshare.vmware.com/finance/stock> .

IMPORTANT — If you do not return your Election Form so it is received by UBS by the deadline, you will not be eligible to participate in the Exchange Offer and you will retain your previously granted stock option(s).

Receipt of UBS Confirmation

Once you send in your Election Form (or notice of withdrawal) you should receive a confirmation from UBS within 48 hours. If you have already completed and returned an Election Form to UBS, you should have received a confirmation from UBS. If you have not received your confirmation, or if you have any questions about the Exchange Offer, please contact UBS or Stock Administration at the numbers below.

UBS Availability for Questions

As previously communicated, UBS is available on site in Palo Alto [today and tomorrow] [today] in Promontory A10 to accept completed forms and answer questions.

You should direct questions about the Exchange Offer or request for assistance to:

The Greco Group at UBS at 860-727-1515;
Elizabeth Moore, Stock Plan Manager at 650-842-8841; or
Gary Wells, Stock Administrator at 650-427-5153

Capitalized items used in this communication are described and defined in the Offer to Exchange Certain Outstanding Stock Options for New Stock Options, dated August 11, 2008.

VMWARE, INC. EXCHANGE OFFER ELECTION FORM

Note: Concepts and terms used in this Election Form are further described and defined in the Offer to Exchange Certain Outstanding Stock Options for New Stock Options, dated August 11, 2008 (the "Exchange Offer Memorandum"). Please read the Exchange Offer Memorandum in its entirety.

Employee Name: _____ **Employee ID (Badge) Number:** _____

Employee Email: _____ **Employee Phone Number:** _____

If you wish to exchange Eligible Options, you must act by the Expiration Date: 2:00 p.m. U.S. Pacific Time on Tuesday, September 9, 2008 (unless the Exchange Offer is extended by VMware).

To do so you must complete, sign and date this Election Form and return it to **UBS Financial Services Inc.** by one of the following three methods so it is RECEIVED by UBS by 2:00 p.m. on the Expiration Date:

FAX : Fax to 860-547-1997 Attention: The Greco Group at UBS or

EMAIL : Email a scanned or PDF copy to: SH-WMUS-VMWExchange@ubs.com *or*

HAND DELIVERY: Please see the "UBS Availability: Locations and Times" schedule which details where and when a UBS representative will be available on site for you to drop off your Election Form.

By electing to exchange your Eligible Options, you are agreeing to the terms and conditions for the Exchange Offer set forth in the Exchange Offer Memorandum.

If you would like to review all of the options granted to you by VMware, please log into your UBS OneSource account at www.ubs.com/onesource/vmw.

Please check one of the boxes below. If no box is checked, by signing this form, I agree that all of my Eligible Options will be exchanged.

- I elect to exchange ALL of the Eligible Options I hold; *or*
- I hold more than one Eligible Option and I elect to exchange ONLY the Eligible Option(s) listed below.

Option Grant Date	Shares Subject to Option Grant	Exercise Price (per share)

NOTE : The exercise price of the New Options granted in exchange for the Eligible Options will be equal to the closing price of VMware's Class A common stock on the NYSE on the date the New Options are granted, which will be September 10, 2008, unless the Exchange Offer is extended by VMware, in which case the grant date will be the first trading day following the extended Expiration Date.

Signature: _____ **Date:** _____