

VMware, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Accumulated Other Comprehensive Income (Loss)

The changes in components of accumulated other comprehensive income (loss) during the periods presented were as follows (tables in millions):

	Unrealized Gain (Loss) on Available-for- Sale Securities	Unrealized Gain (Loss) on Forward Contracts	Foreign Currency Translation Adjustments	Total
Balance, February 2, 2018	\$ (15)	\$ —	\$ 26	\$ 11
Adjustments related to adoption of ASU 2016-01 and 2018-02	(15)	—	—	(15)
Unrealized gains (losses), net of tax (benefit) of \$—, \$—, \$—, and \$—	—	2	—	2
Amounts reclassified from accumulated other comprehensive income (loss) to the consolidated statements of income, net of tax (provision) benefit of \$10, \$—, \$— and \$10	30	—	—	30
Foreign currency translation adjustments	—	—	(26)	(26)
Other comprehensive income (loss), net	30	2	(26)	6
Less: Change in other comprehensive income (loss) attributable to non-controlling interests	—	—	4	4
Balance, February 1, 2019	—	2	(4)	(2)
Amounts reclassified from accumulated other comprehensive income (loss) to the consolidated statements of income, net of tax (provision) benefit of \$—, \$—, \$— and \$—	—	(2)	—	(2)
Other comprehensive income (loss), net	—	(2)	—	(2)
Balance, January 31, 2020	\$ —	\$ —	\$ (4)	\$ (4)

Unrealized gains and losses on VMware's available-for-sale securities are reclassified to investment income on the consolidated statements of income in the period that such gains and losses are realized.

The effective portion of gains or losses resulting from changes in the fair value of forward contracts designated as cash flow hedging instruments is reclassified to its related operating expense line item on the consolidated statements of income in the same period that the underlying expenses are incurred. The amounts recorded to their related operating expense functional line items on the consolidated statements of income were not significant to the individual functional line items during the periods presented.

R. Segment Information

VMware operates in one reportable operating segment, thus all required financial segment information is included in the consolidated financial statements. Operating segments are defined as components of an enterprise for which separate financial information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and assessing performance. VMware's chief operating decision maker allocates resources and assesses performance based upon discrete financial information at the consolidated level.

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Revenue by type during the periods presented was as follows (table in millions):

	For the Year Ended		
	January 31, 2020	February 1, 2019	February 2, 2018
Revenue:			
License	\$ 3,181	\$ 3,042	\$ 2,628
Subscription and SaaS	1,877	1,303	927
Total license and subscription and SaaS	5,058	4,345	3,555
Services:			
Software maintenance	4,754	4,351	3,919
Professional services	999	917	862
Total services	5,753	5,268	4,781
Total revenue	<u>\$ 10,811</u>	<u>\$ 9,613</u>	<u>\$ 8,336</u>

Revenue by geographic area during the periods presented was as follows (table in millions):

	For the Year Ended		
	January 31, 2020	February 1, 2019	February 2, 2018
United States	\$ 5,405	\$ 4,696	\$ 4,200
International	5,406	4,917	4,136
Total	<u>\$ 10,811</u>	<u>\$ 9,613</u>	<u>\$ 8,336</u>

Revenue by geographic area is based on the ship-to addresses of VMware's customers. No individual country other than the U.S. accounted for 10% or more of revenue during the years ended January 31, 2020, February 1, 2019 and February 2, 2018.

Long-lived assets by geographic area, which primarily include property and equipment, net, as of the periods presented were as follows (table in millions):

	January 31, 2020	February 1, 2019
United States	\$ 860	\$ 849
International	209	113
Total	<u>\$ 1,069</u>	<u>\$ 962</u>

No individual country other than the U.S. accounted for 10% or more of these assets as of January 31, 2020 and February 1, 2019.

VMware's product and service solutions are organized into three main product groups:

- Software-Defined Data Center
- Hybrid and Multi-Cloud Computing
- Digital Workspace—End-User Computing

VMware develops and markets product and service offerings within each of these three product groups. Additionally, synergies are leveraged across these three product areas. VMware's products and service solutions from each of its product groups may also be bundled as part of an enterprise agreement arrangement or packaged together and sold as a suite. Accordingly, it is not practicable to determine revenue by each of the three product groups described above.