

MENDOZA THOMAS F  
Form 4  
March 20, 2006

**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 \*  
MENDOZA THOMAS F

2. Issuer Name and Ticker or Trading Symbol  
NETWORK APPLIANCE INC  
[NTAP]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
495 EAST JAVA DRIVE  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
03/17/2006

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
President

SUNNYVALE, CA 94089  
(City) (State) (Zip)

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

**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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	03/17/2006		M		4,962	A	\$ 20.16
Common Stock	03/17/2006		M		67,159	A	\$ 20.16
Common Stock	03/17/2006		M		2,881	A	\$ 20.16
Common Stock	03/17/2006		M		6,527	A	\$ 15.32
Common Stock	03/17/2006		M		51,807	A	\$ 15.32

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Common Stock	03/17/2006	M	51,000	A	\$ 15.32	1,413,214	D	
Common Stock	03/17/2006	M	26,042	A	\$ 9.99	1,439,256	D	
Common Stock	03/17/2006	M	53,125	A	\$ 15.711	1,492,381	D	
Common Stock	03/17/2006	S	335,000	D	\$ 35.1085 (1)	1,157,381	D	
Common Stock	03/20/2006	S	25,167	D	\$ 35.1202 (2)	1,132,214	D	
Common Stock						207,931	I	by Spouse

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

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SEC 1474  
(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 Security (Instr. 3 and 4)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Incentive Stock Option (right to buy)	\$ 15.32	03/17/2006		M	6,527	(3)	02/06/2012	Common Stock	6,527
Incentive Stock Option (right to buy)	\$ 20.16	03/17/2006		M	4,962	(3)	04/25/2011	Common Stock	4,962
Non-Qualified Stock Option (right to buy)	\$ 9.99	03/17/2006		M	26,042	(4)	10/31/2012	Common Stock	26,042
Non-Qualified Stock Option	\$ 15.32	03/17/2006		M	51,807	(3)	02/06/2012	Common Stock	51,807

(right to buy)

Non-Qualified Stock Option (right to buy)	\$ 15.32	03/17/2006	M	51,000	<u>(5)</u>	02/06/2012	Common Stock	51,000
Non-Qualified Stock Option (right to buy)	\$ 15.711	03/17/2006	M	53,125	<u>(4)</u>	05/08/2013	Common Stock	53,125
Non-Qualified Stock Option (right to buy)	\$ 20.16	03/17/2006	M	67,159	<u>(3)</u>	04/25/2011	Common Stock	67,159
Non-Qualified Stock Option (right to buy)	\$ 20.16	03/17/2006	M	2,881	<u>(3)</u>	04/25/2011	Common Stock	2,881

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MENDOZA THOMAS F 495 EAST JAVA DRIVE SUNNYVALE, CA 94089			President	

## Signatures

By: Janice Mahoney by Power of Attorney For: Thomas F. Mendoza 03/20/2006

\_\_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) The sale prices for the reported transaction were in a range of \$35.06 to \$35.1741 per share.
- (2) The sale prices for the reported transaction were in a range of \$35.06 to \$35.20 per share.
- (3) Option vests with respect to 25% of the option shares on the first anniversary of the grant date and the balance in a series of equal monthly installments over the next 36 months of service thereafter.
- (4) Option vests in a series of equal monthly installments over 48 months of service beginning with the one-month anniversary of the grant date.
- (5) Option vests with respect to 20% of the shares in equal monthly installments over the 12 months of service measured from the first anniversary of the option date; 30% of the shares in equal monthly installments over the following 12 months of service; and 50% of the shares in equal monthly installments over the final 12 months of service.

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.