

WARMENHOVEN DANIEL J
 Form 4
 October 11, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 *
WARMENHOVEN DANIEL J

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)
10/10/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Chief Executive Officer

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 | 10/10/2006 | | M ⁽¹⁾ | 42,647 A \$ 4.508 | 3,691,277 | I | by Trust ⁽²⁾ |
| Common Stock | 10/10/2006 | | S ⁽¹⁾ | 42,647 D \$ 38.2192 ⁽³⁾ | 3,648,630 | I | by Trust ⁽²⁾ |
| Common Stock | | | | | 44,839 | D | |
| Common Stock | | | | | 970,000 | I | by Lmt'd Ptnrshp ² ⁽⁴⁾ |
| | | | | | 170 | I | |

| | | | | | | | |
|--------------|--|--|--|--------|---|--|--------------------------|
| Common Stock | | | | | | | by Spouse ⁽⁵⁾ |
| Common Stock | | | | 83,500 | I | | by Trust ⁽⁶⁾ |

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. 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) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Non-Qualified Stock Option (right to buy) | \$ 4.508 | 10/10/2006 | | M ⁽¹⁾ | 42,647 | ⁽⁷⁾ 04/30/2008 | Common Stock | 42,647 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| WARMENHOVEN DANIEL J 495 EAST JAVA DRIVE SUNNYVALE, CA 94089 | | | Chief Executive Officer | |

Signatures

By: Janice Mahoney by Power of Attorney For: Daniel J. Warmenhoven
Date: 10/11/2006

**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 option exercise(s) and sale(s) reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on August 26, 2006.

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- (2) Shares held in trust by Daniel J. Warmenhoven & Charmaine A. Warmenhoven, trustees to The Warmenhoven 1987 Revocable Trust UTA dated 12/16/87, as amended.
- (3) The sale prices for the reported transaction were in a range of \$38.20 to \$38.30 per share.
Shares held by Warmenhoven Ventures LP, a limited partnership of which the Warmenhoven Management Trust is the general partner, of
- (4) which the reporting person and his wife are the trustees. Reporting person disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.
- (5) Shares held by Charmaine A. Warmenhoven, Mr. Warmenhoven's spouse, as separate property. Reporting person disclaims beneficial ownership of such shares.
- (6) Shares held in trust by Richard A. Andre, trustee to The Daniel J. Warmenhoven 1991 Children's Trust. Reporting person disclaims beneficial ownership of such shares.
- (7) Option vests in equal monthly installments over the 36 months of services beginning with the second yearly anniversary of the grant date.

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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