

NETWORK APPLIANCE INC
Form 4
November 17, 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 *
ALLEN JEFFRY R

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)

3. Date of Earliest Transaction (Month/Day/Year)
11/16/2006

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

495 EAST JAVA DRIVE

(Street)

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

SUNNYVALE, CA 94089

(City) (State) (Zip)

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 Ownership (Instr. 4)
			Code	V Amount or (D) Price			
Common Stock	11/16/2006		M	85,000 A \$ 15.32	157,166	D	
Common Stock	11/16/2006		M	12,500 A \$ 9.99	169,666	D	
Common Stock	11/16/2006		M	100,624 A \$ 15.711	270,290	D	
Common Stock	11/17/2006		S	198,124 D \$ 39.8149	72,166	D	

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 Underlying Security (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
Non-Qualified Stock Option (right to buy)	\$ 9.99	11/16/2006		M	12,500	<u>(2)</u>	10/31/2012	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 15.32	11/16/2006		M	85,000	<u>(3)</u>	02/06/2012	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 15.711	11/16/2006		M	100,624	06/09/2003 <u>(2)</u>	05/08/2013	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ALLEN JEFFRY R 495 EAST JAVA DRIVE SUNNYVALE, CA 94089		X		

Signatures

By: Janice Mahoney by Power of Attorney For: Jeffrey R. Allen

11/17/2006

__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 \$39.44 to \$40.01 per share.

(2) Option vests in a series of equal monthly installments over 48 months of service beginning with the one-month anniversary of the grant date.

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- Option vests with respect to 20% of the shares in equal monthly installments over the 12 months of service measured from the first
- (3) 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.

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