

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**OMB APPROVAL**

OMB Number: 3235-0287  
 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**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934  
 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person*			2. Issuer Name and Ticker or Trading Symbol		5. Relationship of Reporting Person(s) to Issuer (Check all applicable)	
<u>ALLEN JEFFRY R</u>			<u>NETWORK APPLIANCE INC [ NTAP ]</u>		<input checked="" type="checkbox"/> Director 10% Owner	
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year)		Officer (give title below) Other (specify below)	
<u>495 EAST JAVA DRIVE</u>			<u>11/16/2006</u>			
(Street)			4. If Amendment, Date of Original Filed (Month/Day/Year)		6. Individual or Joint/Group Filing (Check Applicable Line)	
<u>SUNNYVALE CA 94089</u>					<input checked="" type="checkbox"/> Form filed by One Reporting Person	
(City)	(State)	(Zip)			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	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 <sup>(1)</sup>	72,166	D	

**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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V		Date Exercisable	Expiration Date					
Non-Qualified Stock Option (right to buy)	\$9.99	11/16/2006		M		12,500	(2)	10/31/2012	Common Stock	\$0	0	D	
Non-Qualified Stock Option (right to buy)	\$15.32	11/16/2006		M		85,000	(3)	02/06/2012	Common Stock	\$0	0	D	
Non-Qualified Stock Option (right to buy)	\$15.711	11/16/2006		M		100,624	06/09/2003 <sup>(2)</sup>	05/08/2013	Common Stock	\$0	8,012	D	

**Explanation of Responses:**

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.

3. 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.

By: Janice Mahoney by Power  
of Attorney For: Jeffry R. Allen 11/17/2006

\*\* Signature of Reporting Person      Date

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

\* 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).

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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