

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): February 17, 2004

Network Appliance, Inc.
(Exact name of Registrant as specified in its charter)

Delaware	0-27130	77-0307520
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification Number)

495 East Java Drive
Sunnyvale, CA 94089
(Address of principal executive offices) (Zip Code)

(408) 822-6000
(Registrant's telephone number, including area code)

Item 12.

The information is furnished pursuant to "Item 12. Results of Operations and Financial Condition" in accordance with SEC Release No. 33-8216 (March 27, 2003).

On February 17, 2004, Network Appliance, Inc. issued a press release announcing its earnings for the third quarter fiscal year 2004. The press release, attached hereto as Exhibit 99.1, is being furnished on this Form 8-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

February 17, 2004

By: /s/ Steven Gomo

Steven J. Gomo
Chief Financial Officer

Index to Exhibits

Exhibit	Description
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99.1	Press release of Network Appliance, Inc. issued on February 17, 2004.
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Network Appliance Announces Record Fiscal Third Quarter Results as Revenues Grow 30% Year-Over-Year; Ninth Consecutive Quarter of Growth

SUNNYVALE, Calif.--(BUSINESS WIRE)--Feb. 17, 2004--Network Appliance, Inc. (NASDAQ:NTAP) today announced results for the third quarter of fiscal year 2004. Revenues for the third fiscal quarter were \$297.3 million, an increase of 30% compared to revenues of \$228.5 million for the same period a year ago and an 8% increase compared to \$275.6 million in the prior quarter.

For the third fiscal quarter, GAAP net income increased 104% to \$40.2 million, or \$0.11 per share(1) compared to GAAP net income of \$19.7 million, or \$0.06 per share for the same period in the prior year. Pro forma(2) net income for the third fiscal quarter increased 76% to \$40.1 million, or \$0.11 per share, compared to pro forma net income of \$22.7 million, or \$0.06 per share for the same period a year ago.

Revenues for the first nine months of the current fiscal year totaled \$833.3 million, compared to revenues of \$650.5 million for the first nine months of the prior fiscal year.

For the first nine months of the current fiscal year, GAAP net income was \$115.6 million, or \$0.32 per share, compared with income of \$51.6 million, or \$0.15 per share for the same period in the prior year. Pro forma net income for the first nine months of the current fiscal year totaled \$102.4 million, or \$0.28 per share, compared to pro forma net income of \$58.3 million, or \$0.17 per share for the first nine months of the prior fiscal year.

"I am extremely pleased with our performance this quarter. Revenue for the third fiscal quarter grew year-over-year by 30% to record levels and we also achieved our highest-ever net profit level," said Dan Warmenhoven, CEO of Network Appliance. "Our results this quarter mark the return to our target business model, and we remain confident about the market opportunity ahead of us."

Quarterly Highlights

In the third quarter of fiscal year 2004, Network Appliance continued to reinforce its position as a storage leader by expanding its unified storage, iSCSI, and NearStore(R) solutions, extending its partnerships, and winning enterprise customers across all target industries.

The company announced its Storage Grid strategy to enable customers to leverage more value from their storage and data infrastructures. As part of the strategy, Network Appliance announced the FAS980 and FAS980c, the newest members of the NetApp(R) FAS900 platform, along with key elements in extending the NetApp unified storage systems into the high-end. Also unveiled during the quarter, the NetApp NearStore R200 storage system and SnapVault(TM) software solution for backup, compliance, reference, archive, and "secondary" data needs. NetApp also announced the integration of RAID-DP (double-disk parity) into its full line of enterprise storage systems to increase data protection in the event of multiple storage-related disk failures. In addition, the company announced that its NetApp gFiler(TM) supports unified NAS and SAN consolidation for IBM storage system platforms.

During the third quarter of fiscal year 2004, Network Appliance also announced deeper and more strategic partnerships with Cisco, VERITAS, FileNet, IXOS Software, and Princeton Softech to address a variety of data management, information life cycle management (ILM), backup and recovery, and compliance/retention issues central to enterprise customers today.

Global customers from a variety of industries worldwide also selected Network Appliance to store, manage, and consolidate their business- and mission-critical data in the third quarter. Unified storage, iSCSI, SAN, NAS, and NetCache(R) wins included AutoNation Inc., Bibliotheque nationale de France, Inc., HDFC Standard Life, Interval International, Kimberly-Clark, Oracle, Telefonica de Argentina, and Volvo IT AB. NearStore customer wins included Centraal Bureau voor de Statistiek, Cisco, Dassault Systemes, E.ON, First Assist, Inc., and Nielsen/NetRatings.

The company reaffirmed its commitment to iSCSI technology by completing Microsoft's Design for Windows Logo testing for the NetApp FAS960, FAS960c, FAS940c, F825, F825c, FAS250, and NearStore R150 to ensure that they meet Microsoft standards for iSCSI compatibility and

interoperability with the Windows(R) platform. In addition, Network Appliance extended support for IBM Lotus applications by announcing iSCSI support for NetApp SnapManager(R) for Lotus Domino.

Network Appliance also furthered its Linux(R) strategy by joining the Open Source Development Labs, a global consortium dedicated to accelerating the adoption of Linux.

Also during the quarter, Network Appliance announced its intention to acquire Spinnaker Networks, Inc., a privately held company based in Pittsburgh, Pennsylvania. The proposed software technology acquisition reaffirms the Network Appliance business model and accelerates the company's vision for a Storage Grid future.

Footnotes:

1. Earnings per share represents the diluted number of shares for all periods presented.
2. Pro forma results for all periods presented exclude amortization of intangible assets, stock compensation, restructuring charges, net gain or loss on investments, gain on sale of intangible assets, and the related effects on income taxes, as well as an income tax benefit from a nonrecurring foreign tax ruling.

Conference Call Information

The NetApp quarterly results conference call will be broadcast live via the Internet from the investors section of Network Appliance's Web site at <http://investors.netapp.com/> on Tuesday, February 17, 2004 at 2:00 p.m. Pacific time. This press release and any other information related to the call will also be posted to the Web site at that location. The conference call will also be available live in a listen-only format at (800) 867-1054 in the United States and (303) 262-2175 outside the United States. A replay will be available for 72 hours following completion of the live call by dialing (800) 405-2236 in the United States, and (303) 590-3000 outside the United States, replay code 568756.

About Network Appliance

Network Appliance is a world leader in unified storage solutions for today's data-intensive enterprise. Since its inception in 1992, Network Appliance has delivered technology, product, and partner firsts that continue to drive "The evolution of storage(TM)." Information about Network Appliance(TM) solutions and services is available at www.netapp.com.

NetApp, NearStore, SnapManager, and NetCache are registered trademarks and Network Appliance, gFiler, SnapVault, and The evolution of storage are trademarks of Network Appliance, Inc. in the U.S. and other countries. All other brands or products are trademarks or registered trademarks of their respective holders and should be treated as such.

Network Appliance Usage of Pro Forma Financials

The Company refers to the non-GAAP financial measures cited above in making operating decisions because they provide meaningful supplemental information regarding the Company's operational performance. In addition, these non-GAAP financial measures facilitate management's internal comparisons to the Company's historical operating results and comparisons to competitors' operating results. We include these non-GAAP financial measures in our earnings announcement because we believe they are useful to investors in allowing for greater transparency with respect to supplemental information used by management in its financial and operational decision-making. In addition, we have historically reported similar non-GAAP financial measures to our investors and believe that the inclusion of comparative numbers provides consistency in our financial reporting at this time.

"Safe Harbor" Statement under U.S. Private Securities Litigation Reform Act of 1995

This press release contains forward-looking statements within the meeting of the Private Securities Litigation Reform Act of 1995. These

statements include comments regarding: the return to our target business model and our confidence in the opportunity ahead of us; our Storage Grid strategy; the nature and goals of our strategic partnerships; our proposed acquisition of Spinnaker Networks and the expected benefits thereof; and our vision for a Storage Grid future. These forward-looking statements involve risks and uncertainties, and actual results could vary. Factors that could impact our ability to achieve our goals include: general economic and industry conditions, including expenditure trends for storage related products; our ability to deliver new product architectures and products which meet market acceptance; our ability to design products which compete effectively from a price and performance perspective, our ability to successfully complete and integrate our proposed acquisition of Spinnaker Networks; and other important factors as described in Network Appliance, Inc.'s reports and documents filed from time to time with the Securities and Exchange Commission, including our most recently submitted 10-K and 10-Q.

NETWORK APPLIANCE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

	January 30, 2004	April 30, 2003
	-----	-----
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$263,644	\$284,161
Short-term investments	514,460	334,677
Accounts receivable, net	194,274	151,637
Inventories	38,704	31,559
Prepaid expenses and other	26,036	24,014
Deferred income taxes	44,390	27,444
	-----	-----
Total current assets	1,081,508	853,492
PROPERTY AND EQUIPMENT, net	366,749	362,862
GOODWILL	48,212	48,212
INTANGIBLE ASSETS, net	7,963	2,954
OTHER ASSETS	62,883	51,653
	-----	-----
	\$1,567,315	\$1,319,173
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$43,000	\$39,600
Income taxes payable	5,809	30,256
Accrued compensation and related benefits	55,287	40,647
Other accrued liabilities	43,942	43,841
Deferred revenue	142,260	110,672
	-----	-----
Total current liabilities	290,298	265,016
LONG-TERM DEFERRED REVENUE	94,534	63,698
LONG-TERM OBLIGATIONS	4,453	3,102
	-----	-----
	389,285	331,816
	-----	-----
STOCKHOLDERS' EQUITY	1,178,030	987,357
	-----	-----
	\$1,567,315	\$1,319,173
	=====	=====

NETWORK APPLIANCE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
(Unaudited)

	Quarter Ended		Nine Months Ended	
	January 30, 2004	January 24, 2003	January 30, 2004	January 24, 2003
REVENUES:				
Product revenue	\$268,955	\$205,046	\$754,273	\$585,143
Service revenue	28,332	23,418	79,073	65,320
Total revenues	297,287	228,464	833,346	650,463
COST OF REVENUES:				
Cost of product revenue	93,442	72,865	266,571	203,898
Cost of service revenue	23,722	16,911	65,466	47,172
Total cost of revenues	117,164	89,776	332,037	251,070
GROSS MARGIN	180,123	138,688	501,309	399,393
OPERATING EXPENSES:				
Sales and marketing	85,975	76,969	247,516	225,078
Research and development	32,948	28,289	96,002	84,530
General and administrative	13,744	9,833	38,737	26,403
Stock compensation	465	1,238	2,012	3,106
Restructuring charges	-	1,257	1,110	1,257
Total operating expenses	133,132	117,586	385,377	340,374
INCOME FROM OPERATIONS	46,991	21,102	115,932	59,019
OTHER INCOME (EXPENSE), net:				
Interest income	3,862	3,068	9,737	9,099
Other income (expense), net	(833)	270	(2,089)	(919)
Net gain/(loss) on investments	217	-	362	(726)
Gain on sale of intangible asset	-	-	-	604
Total other income, net	3,246	3,338	8,010	8,058
INCOME BEFORE INCOME TAXES	50,237	24,440	123,942	67,077
PROVISION FOR INCOME TAXES	10,085	4,769	8,304	15,428
NET INCOME	\$40,152	\$19,671	\$115,638	\$51,649
NET INCOME PER SHARE:				
BASIC	\$0.12	\$0.06	\$0.34	\$0.15
DILUTED	\$0.11	\$0.06	\$0.32	\$0.15
SHARES USED IN PER SHARE CALCULATION:				
BASIC	346,305	338,345	343,906	336,911
DILUTED	366,429	351,114	363,214	349,449

(In thousands, except per share amounts)
(Unaudited)

	Quarter Ended		Nine Months Ended	
	January 30, 2004	January 24, 2003	January 30, 2004	January 24, 2003
REVENUES:				
Product revenue	\$268,955	\$205,046	\$754,273	\$585,143
Service revenue	28,332	23,418	79,073	65,320
Total revenues	297,287	228,464	833,346	650,463
COST OF REVENUES:				
Cost of product revenue	93,215	71,501	263,616	199,784
Cost of service revenue	23,722	16,911	65,466	47,172
Total cost of revenues	116,937	88,412	329,082	246,956
GROSS MARGIN	180,350	140,052	504,264	403,507
OPERATING EXPENSES:				
Sales and marketing	85,975	76,969	247,516	225,078
Research and development	32,948	28,289	96,002	84,530
General and administrative	13,744	9,833	38,737	26,403
Total operating expenses	132,667	115,091	382,255	336,011
INCOME FROM OPERATIONS	47,683	24,961	122,009	67,496
OTHER INCOME, net	3,029	3,338	7,648	8,180
INCOME BEFORE INCOME TAXES	50,712	28,299	129,657	75,676
PROVISION FOR INCOME TAXES	10,649	5,562	27,228	17,406
NET INCOME	\$40,063	\$22,737	\$102,429	\$58,270
NET INCOME PER SHARE:				
BASIC	\$0.12	\$0.07	\$0.30	\$0.17
DILUTED	\$0.11	\$0.06	\$0.28	\$0.17
SHARES USED IN PER SHARE CALCULATION:				
BASIC	346,305	338,345	343,906	336,911
DILUTED	366,429	351,114	363,214	349,449

(1) Pro forma results of operations exclude amortization of intangible assets, stock compensation, restructuring charges, net gain/loss on investments, gain on sale of intangible asset and the related effects on income taxes, as well as an income tax benefit from a non-recurring foreign tax ruling.

NETWORK APPLIANCE, INC.
RECONCILIATION OF NON-GAAP AND GAAP
IN THE CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
(Unaudited)

Quarter Ended Nine Months Ended

	January 30, 2004	January 24, 2003	January 30, 2004	January 24, 2003
	-----	-----	-----	-----
SUMMARY RECONCILIATION OF NET INCOME				
NET INCOME	\$40,152	\$19,671	\$115,638	\$51,649
Adjustments:				
Amortization of intangible assets	227	1,364	2,955	4,114
Stock compensation	465	1,238	2,012	3,106
Restructuring charges	-	1,257	1,110	1,257
Net (gain)/loss on investments	(217)	-	(362)	726
Gain on sale of intangible asset	-	-	-	(604)
Income tax effect	(564)	(793)	(2,093)	(1,978)
Income tax benefit from foreign tax ruling	-	-	(16,831)	-
PROFORMA NET INCOME	----- \$40,063	----- \$22,737	----- \$102,429	----- \$58,270
DILUTED PRO FORMA NET INCOME PER SHARE	----- \$0.11	----- \$0.06	----- \$0.28	----- \$0.17
SHARES USED IN DILUTED PRO FORMA NET INCOME PER SHARE CALCULATION:	----- 366,429	----- 351,114	----- 363,214	----- 349,449
DETAILED RECONCILIATION OF SPECIFIC ITEMS:				
COST OF REVENUES	\$117,164	\$89,776	\$332,037	\$251,070
Adjustment:				
Amortization of intangible assets	(227)	(1,364)	(2,955)	(4,114)
PRO FORMA COST OF REVENUES	----- \$116,937	----- \$88,412	----- \$329,082	----- \$246,956
GROSS MARGIN	\$180,123	\$138,688	\$501,309	\$399,393
Adjustment:				
Amortization of intangible assets	227	1,364	2,955	4,114
PRO FORMA GROSS MARGIN	----- \$180,350	----- \$140,052	----- \$504,264	----- \$403,507
OPERATING EXPENSES	\$133,132	\$117,586	\$385,377	\$340,374
Adjustments:				
Stock compensation	(465)	(1,238)	(2,012)	(3,106)
Restructuring charges	-	(1,257)	(1,110)	(1,257)
PRO FORMA OPERATING EXPENSES	----- \$132,667	----- \$115,091	----- \$382,255	----- \$336,011
INCOME FROM OPERATIONS	\$46,991	\$21,102	\$115,932	\$59,019
Adjustments:				
Amortization of intangible assets	227	1,364	2,955	4,114
Stock compensation	465	1,238	2,012	3,106
Restructuring charges	-	1,257	1,110	1,257
PRO FORMA INCOME FROM	-----	-----	-----	-----

OPERATIONS	\$47,683	\$24,961	\$122,009	\$67,496
	=====	=====	=====	=====
TOTAL OTHER INCOME, NET	\$3,246	\$3,338	\$8,010	\$8,058
Adjustments:				
Net (gain)/loss on investments	(217)	-	(362)	726
Gain on sale of intangible asset	-	-	-	(604)
	-----	-----	-----	-----
PRO FORMA TOTAL OTHER INCOME, NET	\$3,029	\$3,338	\$7,648	\$8,180
	=====	=====	=====	=====
INCOME BEFORE INCOME TAXES	\$50,237	\$24,440	\$123,942	\$67,077
Adjustments:				
Amortization of intangible assets	227	1,364	2,955	4,114
Stock compensation	465	1,238	2,012	3,106
Restructuring charges	-	1,257	1,110	1,257
Net (gain)/loss on investments	(217)	-	(362)	726
Gain on sale of intangible asset	-	-	-	(604)
	-----	-----	-----	-----
PRO FORMA INCOME BEFORE INCOME TAXES	\$50,712	\$28,299	\$129,657	\$75,676
	=====	=====	=====	=====
PROVISION FOR INCOME TAXES	\$10,085	\$4,769	\$8,304	\$15,428
Adjustments:				
Income tax effect	564	793	2,093	1,978
Income tax benefit from foreign tax ruling	-	-	16,831	-
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PRO FORMA PROVISION FOR INCOME TAXES	\$10,649	\$5,562	\$27,228	\$17,406
	=====	=====	=====	=====

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