



Go further, faster™

Q4 FY2009 Financial Results Conference Call

May 20, 2009





**Tara Dhillon
Senior Director,
Investor Relations**





FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements and projections that involve risk and uncertainty, including statements regarding our financial performance in future periods (including FY2010), our expectations regarding the synergies and other anticipated benefits resulting from our proposed acquisition of Data Domain, including that it will be accretive within 12 months of the transaction's close, the expected timing of when the transaction may close and our expectations regarding integrating Data Domain into our operations. Actual results may differ materially from our statements or projections. Factors that could cause actual results to differ from our projections include, but are not limited to customer demand for products and services, our ability to maintain or increase backlog and increase revenue, increased competition, our ability to successfully complete our acquisition of Data Domain and integrate its operations into our own and the material and adverse global economic market conditions that currently exist. Other equally important factors are detailed in our accompanying press release as well as our 10-K and 10-Q reports on file with the SEC and also available on our website, all of which are incorporated by reference into today's discussion.

GAAP RECONCILIATION

During the course of these presentations, we will be referring to both GAAP and non-GAAP numbers. NetApp provides reconciliation between these GAAP and non-GAAP numbers, which can be found in the Investor's section of the Company's website at www.netapp.com.



NetApp

Additional Information and Where to Find It

NetApp plans to file with the SEC a Registration Statement on Form S-4 in connection with the transaction, and Data Domain plans to file with the SEC and mail to its stockholders a Proxy Statement/Prospectus in connection with the transaction. The Registration Statement and the Proxy Statement/Prospectus will contain important information about NetApp, Data Domain, the transaction and related matters. Investors and security holders are urged to read the Registration Statement and the Proxy Statement/Prospectus carefully when they are available. Investors and security holders will be able to obtain free copies of the Registration Statement and the Proxy Statement/Prospectus through the web site maintained by the SEC at www.sec.gov and by contacting NetApp Investor Relations at (408) 822-7098 or Data Domain Investor Relations at (408) 980-4909. In addition, investors and security holders will be able to obtain free copies of the documents filed with the SEC on NetApp's website at www.netapp.com and on Data Domain's website at www.datadomain.com.

Participants in the Acquisition of Data Domain

NetApp, Data Domain and their respective directors, executive officers and certain other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding these persons who may, under the rules of the SEC, be considered participants in the solicitation of Data Domain stockholders in connection with the proposed transaction will be set forth in the Proxy Statement/Prospectus described above when it is filed with the SEC. Additional information regarding NetApp's executive officers and directors is included in NetApp's definitive proxy statement, which was filed with the SEC on July 14, 2008, and additional information regarding Data Domain's executive officers and directors is included in Data Domain's Annual Report on Form 10-K/A for fiscal year ended December 31, 2008, which was filed with the SEC on April 30, 2009. You can obtain free copies of these documents from NetApp or Data Domain using the contact information above.



Dan Warmenhoven Chairman and CEO





Welcome Data Domain

- **About Data Domain**

- Leading provider of deduplication storage systems for backup in multi-vendor environments
- \$274m in CY08 revenue; up 122% over CY07
- Headquarters in Santa Clara, CA; 825 employees

- **Expands the opportunity for NetApp**

- Data Domain adds to NetApp a complementary, high-growth business which will be operated to maximize growth and market adoption
- NetApp has market reach to expand delivery of Data Domain portfolio to international markets and more enterprise customers



Steve Gomo
EVP Finance and CFO





Q4 FY09 Revenue Analysis*

| | % of Total | Revenue | Year/year Growth |
|---------------------------------------|------------|---------|------------------|
| Systems | 40% | \$350m | -15% |
| Add-on Software | 18% | \$156m | -28% |
| Product Revenue | 57% | \$506m | -20% |
| Software Entitlements and Maintenance | 19% | \$165m | 21% |
| Services | 24% | \$210m | 22% |
| Total | 100% | \$880m | -6% |

Foreign currency effects decreased sequential revenue growth by 0.3 percentage points and decreased year over year growth by 3.7 percentage points.

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Q4 FY09 Gross Margin Analysis*

| | Q4 FY09 | Q3 FY09 |
|-----------------------|---------|---------|
| Non-GAAP Gross Margin | 61.8% | 60.7% |
| Product | 52.7% | 53.7% |
| Software E&M | 98.5% | 98.5% |
| Service | 55.0% | 49.6% |
| GAAP Gross Margin | | |
| Product | 51.6% | 52.2% |
| Software E&M | 98.5% | 98.5% |
| Service | 53.2% | 48.0% |

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Q4 FY09 Financial Highlights*

| | Q4 FY09 | % of Q4 Revenue | Q3 FY09 |
|-------------------------|---------|-----------------|----------|
| Operating Expenses | \$426M | 48.4% | \$424M |
| Income from Operations | \$118M | 13.4% | \$107M |
| Other Income | \$ 4.4M | | \$ 4.3M |
| Income Before Taxes | \$122M | 13.9% | \$111M |
| Tax Rate | 16.0% | | 16.0% |
| Net Income | \$103M | 11.7% | \$ 93M |
| Earnings per Share | \$0.31 | | \$0.28 |
| <hr/> | | | |
| GAAP Net Income/Loss | \$75M | | (\$75M) |
| GAAP Earnings per Share | \$0.23 | | (\$0.23) |

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Q4 FY09 Cash Metrics

| | Q4 FY09 | Q3 FY09 |
|-----------------------------------|---------------------------------|---------|
| Cash from Operations | \$180M | \$236M |
| Capital Expenditures ¹ | \$135M | \$ 51M |
| Free Cash Flow ² | \$ 45M | \$185M |
| <hr/> | | |
| Cash and S.T. Investments | \$ 2.6B | \$ 2.5B |
| | (Includes \$1.26B in U.S. cash) | |

¹Includes \$119 in cash to purchase two buildings previously under synthetic lease

²Free Cash Flow is defined as Cash from Operations less Capital Expenditures



Q4 FY09 Key Financial Metrics

| | Q4 FY09 | Q3 FY09 |
|------------------------------|---------|---------|
| DSOs ¹ | 44 | 36 |
| Inventory Turns ² | 22.1 | 16.8 |
| <hr/> | | |
| Total Deferred Revenue | \$1.7B | \$1.63B |
| <hr/> | | |
| Total Employees | 7,976 | 8,383 |

¹Days Sales Outstanding are defined as Accounts Receivable Net divided by Revenue, multiplied by number of days in the quarter (91)

²Inventory Turns are defined as Annualized Q4 non-GAAP COGS divided by Net Inventory



Q1 FY 2010 Outlook*

Q1 FY10

| | |
|---------|----------------------|
| Revenue | No guidance provided |
|---------|----------------------|

| | |
|-----------------------|------|
| Non-GAAP Gross Margin | ~61% |
|-----------------------|------|

| | |
|-----------------------------|--|
| Non-GAAP Operating Expenses | Increase of \$10M to \$15M from Q4 level |
|-----------------------------|--|

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Acquisition Details

- Purchase price of \$1.5B in cash and stock
 - \$11.45 in cash
 - 0.76 shares of NetApp exchanged for each share of Data Domain
- We anticipate that the deal will close in 60-120 days subject to customary closing conditions including regulatory approval
- Expected to be accretive within 12 months of close on a non-GAAP basis
- Many opportunities for revenue and cost synergies

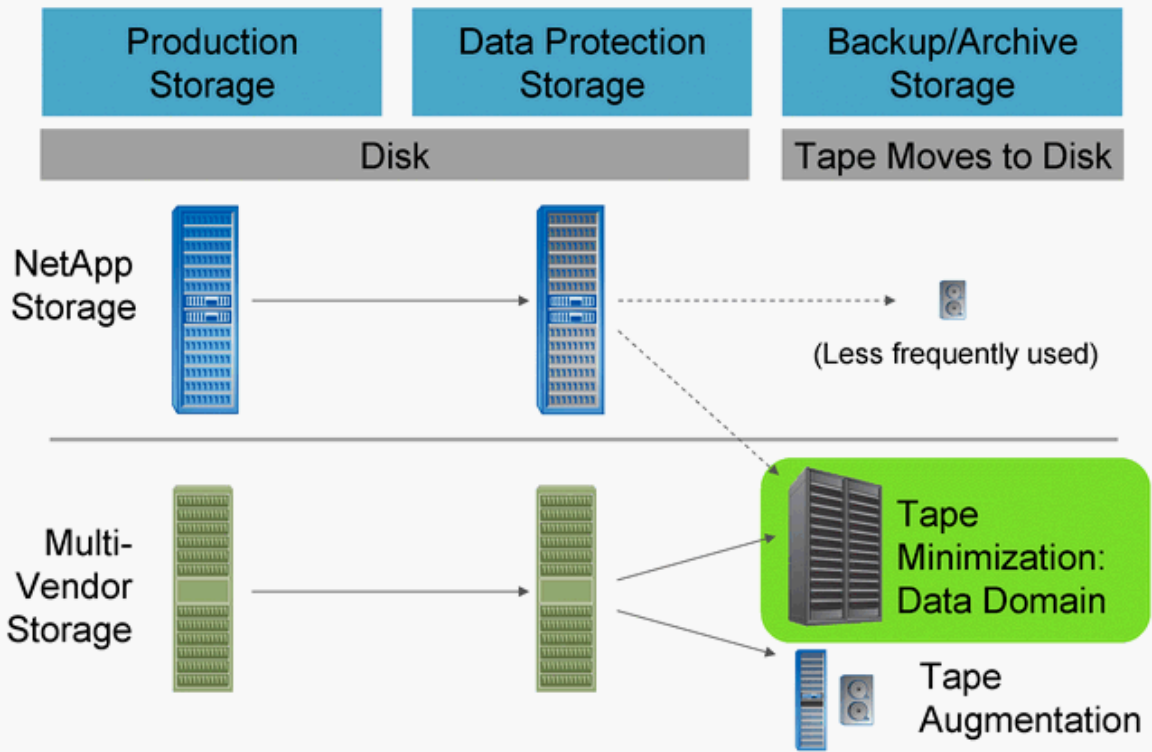


Tom Georgens President and COO





Tape Is Transitioning to Disk





Q4 FY09 Operational Highlights

- Sequential increase in revenue
- Mid-range platform resurgence
- Federal & European geographic strength
- Sequential growth in revenue from Top Enterprise Accounts
- NetApp storage efficiency value proposition resonates in budget-constrained environments
 - Customers can meet business objectives with less physical storage
- Record number of 1-year software and hardware maintenance renewals



Q4 FY09 Geographic & Channel Mix*

| | % of Q4 Revenue | Q4 FY09 Revenue | Year/Year Growth |
|----------------------|-----------------|-----------------|------------------|
| EMEA | 36% | \$316M | -3% |
| AsiaPac | 10% | \$ 87M | -8% |
| Americas | 54% | \$477M | -8% |
| ▪ U.S. Public Sector | 12% | | 2% |
| <hr/> | | | |
| Indirect Channel | 68% | | |
| Arrow | 10% | | |
| Avnet | 10% | | |
| IBM | 4% | | |

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Product Trends

- Total storage system units down 5% year/year
 - Entry-level units down 5% year/year
 - Mid-range units up 11% sequentially and flat year/year
 - High-end units flat sequentially and down 30% year/year
- NAS protocols included in 56% of storage bookings
- Block protocols included in 45% of storage bookings
 - Fibre-channel SAN included in 32% of bookings
 - iSCSI included in 19% of bookings
 - Overlap of FC SAN and iSCSI in 6% of bookings
- V-Series had 4th record high bookings quarter in row
 - Great vehicle to break into new accounts
- 37,000 deduplication licenses downloaded to date



Summary

- Virtualization and storage efficiency driving adoption of NetApp in next-gen data centers and outsourced (cloud) services
- Strong competitive position
- Visibility remains cloudy
- Increased operating efficiency
- Hiring in strategic areas on limited basis
- Optimizing resource allocation to support strategic initiatives and protect sales capacity for future growth



**Dan Warmenhoven
Chairman and CEO**



CEO Commentary



Thank You

