

**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**

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>MENDOZA THOMAS F</u>                  |           |              | <u>NETWORK APPLIANCE INC [ NTAP ]</u>                    |  |  | Director 10% Owner<br><input checked="" type="checkbox"/> Officer (give title below) Other (specify below)<br><b>President</b> |  |  |
| (Last)                                   | (First)   | (Middle)     | 3. Date of Earliest Transaction (Month/Day/Year)         |  |  |  |  |  |
|  |           |              | <u>12/23/2005</u>  |  |  |  |  |  |
| 495 EAST JAVA DRIVE                      |           |              | 4. If Amendment, Date of Original Filed (Month/Day/Year) |  |  | 6. Individual or Joint/Group Filing (Check Applicable Line)  |  |  |
| (Street)                                 |           |              |  |  |  | <input checked="" type="checkbox"/> Form filed by One Reporting Person   |  |  |
| <u>SUNNYVALE</u>                         | <u>CA</u> | <u>94089</u> |  |  |  | Form filed by More than One Reporting Person   |  |  |
| (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 Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|---------|---|--|---|
|                                 |                                      |  | Code                           | V | Amount  | (A) or (D) | Price   |   |  |   |
| Common Stock                    | 12/23/2005                           |  | M                              |   | 16,151  | A          | \$9.99  | 1,229,749   | D  |   |
| Common Stock                    | 12/23/2005                           |  | M                              |   | 41,140  | A          | \$9.99  | 1,270,889   | D  |   |
| Common Stock                    | 12/23/2005                           |  | M                              |   | 15,554  | A          | \$1.407 | 207,931   | I  | by Spouse   |

**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 | (A)  | (D)    | Date Exercisable   | Expiration Date |   |  |  |   |  | Title     |
| Non-Qualified Stock Option (right to buy)  | \$9.99   | 12/23/2005                           |  | M                              |   |  | 16,151 | (1)  | 10/31/2012      | Common Stock  | 16,151                                     | \$0  | 108,849   | D  |           |
| Non-Qualified Stock Option (right to buy)  | \$9.99   | 12/23/2005                           |  | M                              |   |  | 41,140 | (1)  | 10/31/2012      | Common Stock  | 41,140                                     | \$0  | 67,709  | D  |           |
| Non-Qualified Stock Option (right to buy)  | \$1.407  | 12/23/2005                           |  | M                              |   |  | 15,554 | (2)  | 01/05/2008      | Common Stock  | 15,554                                     | \$0  | 0   | I  | by Spouse |

**Explanation of Responses:**

- Option vests in a series of equal monthly installments over 48 months of service beginning with the one-month anniversary of the grant date.
- Option vests with respect to 1/12 of the option shares on 1/31/98 and the balance in a series of equal month installments over the next 11 months thereafter.

By: Janice Mahoney by Power of Attorney For: Thomas F. Mendoza 12/27/2005

\*\* 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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