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Index to Exhibits

Exhibit	Description
99.1	Press release of Network Appliance, Inc. issued on November 15, 2006.

Network Appliance Announces Results
for Second Quarter Fiscal Year 2007

Achieves 35% Year-over-Year Revenue Growth

SUNNYVALE, Calif.--(BUSINESS WIRE)--Nov. 15, 2006--Network Appliance, Inc. (NASDAQ:NTAP), the leader in advanced networked storage solutions, today reported results for the second quarter of fiscal year 2007. Revenues for the second fiscal quarter were \$652.5 million, an increase of 35% compared to revenues of \$483.1 million for the same period a year ago and an increase of 5% compared to \$621.3 million in the prior quarter.

For the second fiscal quarter, GAAP net income was \$86.9 million, or \$0.22 per share(1) compared to GAAP net income of \$70.7 million, or \$0.18 per share for the same period in the prior year. Non-GAAP(2) net income for the second fiscal quarter increased 38% to \$108.9 million, or \$0.28 per share, compared to non-GAAP net income of \$79.1 million, or \$0.21 per share for the same period a year ago.

Revenues for the first six months of the current fiscal year totaled \$1.27 billion, compared to revenues of \$931.5 million for the first six months of the prior year, an increase of 37% year over year.

For the first six months of the current fiscal year, GAAP net income increased 8% to \$141.6 million, or \$0.36 per share, compared with GAAP net income of \$130.8 million, or \$0.34 per share for the same period in the prior year. Non-GAAP net income for the first six months of the current fiscal year totaled \$205.4 million, or \$0.53 per share, compared to non-GAAP net income of \$141.3 million, or \$0.37 per share for the first six months of the prior fiscal year.

"NetApp continues to gain momentum in enterprise data centers because we provide customers with the best value in the storage industry," said Dan Warmenhoven, CEO. "Our performance this quarter highlights our success around the world as we increase our market share and expand our reach."

Outlook

- Network Appliance estimates that sequential growth in revenue for the third quarter of fiscal year 2007 will be in the range of 7% to 8%, which translates to 30% to 31% growth year over year.
- Including the implementation of SFAS123R and with current information and assumptions, the company expects third quarter GAAP earnings per share to finish between \$0.17 and \$0.18 per share. Network Appliance expects third quarter non-GAAP earnings per share to be about \$0.28 per share.
- For the full fiscal year 2007, Network Appliance estimates that revenues will finish in the range of 33% to 34% higher than fiscal year 2006.
- Including the implementation of SFAS123R and with current information and assumptions, the company expects GAAP earnings per share for fiscal year 2007 to be in the target range of \$0.73 to \$0.76 per share. Network Appliance estimates that full-year non-GAAP earnings per share will finish between \$1.10 to \$1.11 per share.

Quarterly Highlights

During the second quarter of fiscal year 2007, Network Appliance demonstrated growth in several key areas including market share, customer deployments, product lines, and functionality in archive and compliance, VTL, data migration and data retention. The company also continued its leadership position in the iSCSI and network-attached storage markets and showed strong growth in the Fibre Channel SAN market.

In the second quarter, NetApp outlined its comprehensive strategy for a unified approach to both archive and compliance, offering a product and service portfolio to help customers solve their growing and changing data challenges. The NetApp announcement challenged the industry's conventional approach of

forcing customers to deploy separate storage silos for their backup, archive, compliance, and primary storage needs and urged customers to save time, money, and manpower with a unified archive and compliance solution. The NetApp approach offers solutions to five standard storage needs to satisfy data management regulations including data classification, data discovery, data migration, data permanence, and data security and privacy.

Evolving corporate governance policies and a heightened emphasis on storage efficiency demand that today's enterprise deploy archival solutions that will easily scale and adapt with changing business needs. E-mail leads the list of applications that are being archived in data centers around the world. This quarter, a study commissioned by NetApp and conducted by VeriTest found that Symantec(R) Enterprise Vault(TM) software for e-mail archival environments running on NetApp storage delivers customers up to twice the performance of EMC Centera Gen4 storage. The VeriTest study compared the performance of the NetApp(R) FAS3050 and NearStore(R) R200 storage systems to that of EMC Centera Gen4 storage. The results are further proof that NetApp storage provides customers with a fast, flexible, and cost-effective solution for e-mail archival and various compliance needs.

Also on the product front, NetApp introduced three Virtual Tape Library (VTL) solutions designed for demanding data center backup environments. NearStore VTL300, VTL700, and VTL1400 provide customers with the ability to substantially increase backup and recovery service levels by doubling to tripling the amount of backup data that can be stored on disk while also increasing VTL write performance by over 50% compared to the industry-leading performance of existing NetApp VTL systems.

From a market perspective, according to IDC's Worldwide Quarterly Disk Storage Systems Tracker Q2 2006(3), NetApp led the networked storage market in capacity share, growing to 21%, which is a statistical tie with EMC. NetApp also grew faster than the market in capacity shipped in networked storage, growing at 111% year over year while the market grew at 59%. In terms of revenue, NetApp grew faster than the market from Q2 2005 to Q2 2006 at 21%, while the market grew at 11%.

NetApp demonstrated continued leadership in the iSCSI market in terms of revenue and capacity in both Q2 2006 and the first half of 2006, with first-place market share for Q2 2006 in capacity shipped (44%) and in revenue (28%).

In its core NAS market, NetApp was number one in Q2 2006 for capacity shipped, with 47% market share. Year over year, the NAS market grew 77% in terms of capacity shipped while NetApp grew 85%. Sequentially, the NAS market grew at 11.3% while NetApp grew at 13.5%.

Of all the vendors tracked by IDC in Fibre Channel (FC) SAN, NetApp continues to grow faster than the market in both revenue and capacity, sequentially and year over year. For capacity shipped, NetApp grew at 240% year over year while the market grew at 47%. In terms of revenue, NetApp grew at 66% year over year while the market grew at 8%.

In the SAN market, NetApp announced a new milestone this quarter with 10,000 production deployments of NetApp storage area network (SAN) solutions, including 3,000 FC SANs and 7,000 IP SANs. The NetApp SAN growth is the result of the company's innovative solutions which enable the easiest provisioning and management, affordable business continuity, and nondisruptive backups with instant data recovery in all data center environments -- central, departmental, and distributed.

On the partner front, NetApp joined the Microsoft Technology Center (MTC) Alliance Member Program. As part of this program, NetApp storage has been installed in Microsoft Technology Centers worldwide.

Additionally, NetApp announced that more than 5,000 enterprises worldwide use the Oracle(R) on NetApp solution to help simplify the management of their backup/recovery, archiving, data protection, compliance, and primary storage processes.

In corporate news, Dan Warmenhoven received a CEO Ambassador Award from Boardroom Bound, a nonprofit organization that helps corporations identify and prequalify women and minority director candidates for corporate board service. Warmenhoven was honored for instilling the value of diversity at NetApp and on the company's board. NetApp was also honored for the third year in a row by the Triangle Business Journal as a "Best Place to Work" in Research Triangle Park

(RTP) for 2006. NetApp earned first place honors in the large company category, which included companies with 150 employees or more. NetApp employees based in RTP who responded to a survey from the publication gave the company high marks for its team-oriented work environment, exceptional people practices, strong executive leadership, and effective manager relationships.

Webcast and Conference Call Information

- The NetApp quarterly results conference call will be broadcast live via the Internet at <http://investors.netapp.com> on Wednesday, November 15, 2006, 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) 260-8140 in the United States and (617) 614-3672 outside the United States. The passcode for both numbers is 51700684.
- A replay will be available for 72 hours following the completion of the live call by dialing (888) 286-8010 in the United States and (617) 801-6888 outside the United States, with replay code 38201788. The Webcast replay will be posted on our Web site for at least one year.

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 simplify data management. Information about Network Appliance(TM) solutions and services is available at www.netapp.com.

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include all of the statements under the Outlook section relating to our forecasted operating results and metrics for the third quarter of fiscal 2007 and for all of fiscal 2007; statements regarding our optimism for our 2007 fiscal year generally; statements regarding the anticipated benefits of our products, technologies, and services relative to the offerings of our competitors; and statements regarding anticipated benefits from partner offerings. These forward-looking statements involve risks and uncertainties, and actual results could vary. Important factors that could cause actual results to differ materially from those in the forward-looking statements include general economic and industry conditions, including expenditure trends for storage-related products; risks associated with the anticipated growth in network storage and content delivery markets; our ability to deliver new product architectures and enterprise service offerings; competition risks, including our ability to design products and services that compete effectively from a price and performance perspective; risks with new product introductions; our reliance on a limited number of suppliers; our ability to accurately forecast demand for our products and successfully manage our relationships with our contract manufacturers; our ability to expand our direct sales operations and reseller distribution channels; our ability to develop, maintain, and strengthen our relationships and product offerings with strategic partners; risks associated with international operations; our ability to successfully acquire and integrate complementary businesses and technologies; foreign currency exchange rate fluctuations; and other important factors as described in Network Appliance, Inc. reports and documents filed from time to time with the Securities and Exchange Commission, including the factors described under the sections captioned "Risk Factors" in our most recently submitted 10-K and 10-Q. We disclaim any obligation to update information contained in these forward-looking statements whether as a result of new information, future events, or otherwise.

(1) Earnings per share represents the diluted number of shares for all periods presented.

(2) Non-GAAP results of operations exclude amortization of intangible assets, stock-based compensation, in process research and development, restructuring charges/recoveries, gain/loss on sale of assets and investments, specified nonrecurring discrete events, and the related effects on income taxes.

(3) IDC's Worldwide Quarterly Disk Storage Systems Tracker Q2 2006.

NetApp and NearStore are registered trademarks and Network Appliance is a trademark of Network Appliance, Inc. in the United States 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 Non-GAAP 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. These non-GAAP financial measures exclude amortization of intangible assets, in-process research and development, stock compensation, restructuring charges/recoveries, net gain/loss on investments, and the related effects on income taxes as well as certain discrete GAAP provision for income tax matters recognized ratably for non-GAAP purposes. We have excluded these items in order to enhance investors' understanding of our ongoing operations. The use of these non-GAAP financial measures has material limitations because they should not be used to evaluate our company without reference to their corresponding GAAP financial measures. As such, we compensate for these material limitations by using these non-GAAP financial measures in conjunction with GAAP financial measures.

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, such as employee compensation planning. 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.

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

	October 27, 2006	April 30, 2006
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ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$523,338	\$461,256
Short-term investments	856,068	861,636
Accounts receivable, net	399,657	415,295
Inventories	56,778	64,452
Prepaid expenses and other assets	42,761	43,536
Short-term restricted cash and investments	124,748	138,539
Deferred income taxes	47,187	48,496
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Total current assets	2,050,537	2,033,210
PROPERTY AND EQUIPMENT, net	555,815	513,193
GOODWILL	486,355	487,535
INTANGIBLE ASSETS, net	64,687	75,051
LONG-TERM RESTRICTED CASH AND INVESTMENTS	70,390	108,371
OTHER ASSETS	92,424	43,605
	-----	-----
	\$3,320,208	\$3,260,965
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$122,918	\$166,211
Accounts payable	109,392	101,278
Income taxes payable	34,454	51,577
Accrued compensation and related benefits	123,916	129,636
Other accrued liabilities	70,832	69,073
Deferred revenue	472,761	399,388
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Total current liabilities	934,273	917,163
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LONG-TERM DEBT	70,510	133,789
LONG-TERM DEFERRED REVENUE	345,821	282,149
LONG-TERM OBLIGATIONS	7,052	4,411
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	1,357,656	1,337,512
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STOCKHOLDERS' EQUITY	1,962,552	1,923,453
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	\$3,320,208	\$3,260,965
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NETWORK APPLIANCE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended		Six Months Ended	
	October 27, 2006	October 28, 2005	October 27, 2006	October 28, 2005
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REVENUES:				
Product	\$481,284	367,721	\$946,895	708,646
Software subscriptions	82,253	57,055	157,083	110,759
Service	88,986	58,286	169,833	112,059
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Total revenues	652,523	483,062	1,273,811	931,464
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COST OF REVENUES:				
Cost of product	186,261	139,284	374,226	270,782
Cost of software subscriptions	2,456	1,820	4,748	4,076
Cost of service	62,499	42,866	120,460	84,028
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Total cost of revenues	251,216	183,970	499,434	358,886
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GROSS MARGIN	401,307	299,092	774,377	572,578
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OPERATING EXPENSES:				
Sales and marketing	204,264	139,229	399,782	277,043
Research and development	90,360	58,143	179,038	110,303
General and administrative	35,217	21,793	67,613	42,989
In process research and development	-	5,000	-	5,000
Restructuring charges (recoveries)	-	645	(74)	(611)
Gain on sale of assets	(25,339)	-	(25,339)	-
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Total operating expenses	304,502	224,810	621,020	434,724
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INCOME FROM OPERATIONS	96,805	74,282	153,357	137,854
OTHER INCOME (EXPENSES), net:				
Interest income	17,478	9,651	34,134	18,699
Interest expense	(5,170)	(3)	(9,042)	(51)
Other income (expense), net	1,878	(274)	2,657	(498)
Net gain (loss) on investments	(2,000)	68	(2,000)	101
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Total other income, net	12,186	9,442	25,749	18,251
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INCOME BEFORE INCOME TAXES	108,991	83,724	179,106	156,105

PROVISION FOR INCOME TAXES	22,060	13,006	37,506	25,267
NET INCOME	\$86,931	\$70,718	\$141,600	\$130,838
NET INCOME PER SHARE:				
BASIC	\$0.23	\$0.19	\$0.38	\$0.35
DILUTED	\$0.22	\$0.18	\$0.36	\$0.34
SHARES USED IN PER SHARE CALCULATION:				
BASIC	370,659	371,002	372,264	369,220
DILUTED	388,226	385,442	389,773	385,912

NETWORK APPLIANCE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
(In thousands)
(Unaudited)

	Three Months Ended		Six Months Ended	
	October 27, 2006	October 28, 2005	October 27, 2006	October 28, 2005
Cash Flows from Operating Activities:				
Net income	\$86,931	\$70,718	\$141,600	\$130,838
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	20,666	15,328	39,380	30,084
In process research and development	-	5,000	-	5,000
Amortization of intangible assets	4,687	3,852	9,373	6,523
Amortization of patents	496	496	991	991
Stock-based compensation	42,423	3,344	85,445	5,372
Net loss (gain) on investments	2,000	(68)	2,000	(101)
Gain on sale of assets	(25,339)	-	(25,339)	-
Net loss on disposal of equipment	221	756	302	1,160
Allowance for doubtful accounts	50	725	194	346
Deferred income taxes	(22,634)	-	(22,634)	-
Deferred rent	541	321	740	369
Excess tax benefit from stock-based compensation	(19,356)	-	(23,845)	-
Changes in assets and liabilities:				
Accounts receivable	(22,807)	(86,163)	15,380	(28,271)
Inventories	(513)	(8,567)	8,195	(13,565)
Prepaid expenses and other assets	(2,249)	932	3,142	(3,065)
Accounts payable	8,344	12,463	7,205	9,772
Income taxes payable	41,849	14,496	34,935	24,144
Accrued compensation and related benefits	32,637	21,360	(6,327)	(11,058)

Other accrued liabilities	5,963	(1,577)	(5,017)	(2,879)
Deferred revenue	75,700	49,059	137,682	85,775
Net cash provided by operating activities	229,610	102,475	403,402	241,435
Cash Flows from Investing Activities:				
Purchases of short-term investments	(653,152)	(111,010)	(1,527,568)	(333,797)
Redemptions of short-term investments	638,134	204,596	1,544,557	418,573
Redemptions of restricted investments	36,316	-	52,638	
Increase (decrease) in restricted cash	153	(562)	405	(2,066)
Proceeds from sale of assets	23,914	-	23,914	-
Purchases of property and equipment	(43,729)	(29,474)	(76,013)	(63,012)
Proceeds from sales of investments	-	68	17	130
Purchases of equity securities	(150)	(6,675)	(1,333)	(6,950)
Purchase of business, net of cash acquired	-	(41,916)	-	(53,747)
Net cash provided by (used in) investing activities	1,486	15,027	16,617	(40,869)
Cash Flows from Financing Activities:				
Proceeds from sale of common stock related to employee stock transactions	55,629	21,726	92,460	72,489
Excess tax benefit from stock-based compensation	19,356	-	23,845	-
Repayment of debt	(78,706)	-	(106,572)	-
Tax withholding payments reimbursed by restricted stock	(3,343)	(183)	(4,323)	(602)
Repurchases of common stock	(143,908)	(149,021)	(363,908)	(244,564)
Net cash used in financing activities	(150,972)	(127,478)	(358,498)	(172,677)
Effect of Exchange Rate Changes on Cash	885	104	561	282
Net Increase (Decrease) in Cash and Cash Equivalents	81,009	(9,872)	62,082	28,171
Cash and Cash Equivalents:				
Beginning of period	442,329	231,585	461,256	193,542
End of period	\$523,338	\$221,713	\$523,338	\$221,713

NETWORK APPLIANCE, INC.
SUPPLEMENTAL INFORMATION
(In thousands)
(Unaudited)

THREE MONTHS ENDED OCTOBER 27, 2006

	Amortization of Intangible Assets	Stock-based Compensation Expenses	In process research and development	Restructuring (recoveries) charges
Cost of product revenues	\$3,866	\$1,069	-	-
Cost of service revenues	-	2,489	-	-
Sales and marketing expense	583	18,715	-	-
Research and development expense	-	13,022	-	-
General and administrative expense	238	7,128	-	-
In process research and development	-	-	-	-
Restructuring (recoveries) charges	-	-	-	-
Gain on sale of assets	-	-	-	-
Net (gain) loss on investments	-	-	-	-
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Effect on pre-tax income	\$4,687	\$42,423	-	-

	Gain on Sale of Assets	Net (Gain) Loss on Investments	Total
Cost of product revenues	-	-	\$4,935
Cost of service revenues	-	-	2,489
Sales and marketing expense	-	-	19,298
Research and development expense	-	-	13,022
General and administrative expense	-	-	7,366
In process research and development	-	-	-
Restructuring (recoveries) charges	-	-	-
Gain on sale of assets	(25,339)	-	(25,339)
Net (gain) loss on investments	-	2,000	2,000
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Effect on pre-tax income	(\$25,339)	\$2,000	\$23,771

SIX MONTHS ENDED OCTOBER 27, 2006

Amortization of	Stock-based	In process research	Restructuring
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	Intangible Assets	Compensation Expenses	and development	(recoveries) charges
Cost of product revenues	\$7,731	\$1,739	-	-
Cost of service revenues	-	5,124	-	-
Sales and marketing expense	1,167	37,431	-	-
Research and development expense	-	26,891	-	-
General and administrative expense	475	14,260	-	-
In process research and development	-	-	-	-
Restructuring (recoveries) charges	-	-	-	(74)
Gain on sale of assets	-	-	-	-
Net (gain) loss on investments	-	-	-	-

Effect on pre-tax income	\$9,373	\$85,445	-	(\$74)

	Gain on Sale	Loss on	Net (Gain) of Assets	Investments	Total
Cost of product revenues			-	-	\$9,470
Cost of service revenues			-	-	5,124
Sales and marketing expense			-	-	38,598
Research and development expense			-	-	26,891
General and administrative expense			-	-	14,735
In process research and development			-	-	-
Restructuring (recoveries) charges			-	-	(74)
Gain on sale of assets			(25,339)	-	(25,339)
Net (gain) loss on investments			-	2,000	2,000

Effect on pre-tax income			(\$25,339)	\$2,000	\$71,405

THREE MONTHS ENDED OCTOBER 28, 2005

	Amortization of Intangible Assets	Stock-based Compensation Expenses	In process research and development	Restructuring (recoveries) charges
Cost of product revenues	\$2,946	-	-	-

Cost of service revenues	-	-	-	-
Sales and marketing expense	507	1,011	-	-
Research and development expense	-	2,106	-	-
General and administrative expense	399	227	-	-
In process research and development	-	-	5,000	-
Restructuring (recoveries) charges	-	-	-	645
Net (gain) loss on investments	-	-	-	-

Effect on pre-tax income	\$3,852	\$3,344	\$5,000	\$645

	Gain on Sale of Assets	Net (Gain) Loss on Investments	Total
Cost of product revenues	-	-	\$2,946
Cost of service revenues	-	-	-
Sales and marketing expense	-	-	1,518
Research and development expense	-	-	2,106
General and administrative expense	-	-	626
In process research and development	-	-	5,000
Restructuring (recoveries) charges	-	-	645
Net (gain) loss on investments	-	(68)	(68)

Effect on pre-tax income	-	(\$68)	\$12,773

SIX MONTHS ENDED OCTOBER 28, 2005

	Amortization of Intangible Assets	Stock-based Compensation Expenses	In process research and development	Restructuring (recoveries) charges
Cost of product revenues	\$4,054	-	-	-
Cost of service revenues	-	-	-	-
Sales and marketing expense	714	1,526	-	-
Research and development expense	-	3,464	-	-
General and				

administrative expense	1,755	382	-	-
In process research and development	-	-	5,000	-
Restructuring (recoveries) charges	-	-	-	(611)
Net (gain) loss on investments	-	-	-	-

Effect on pre-tax income	\$6,523	\$5,372	\$5,000	(\$611)

	Gain on Sale of Assets	Net (Gain) Loss on Investments	Total
Cost of product revenues	-	-	\$4,054
Cost of service revenues	-	-	-
Sales and marketing expense	-	-	2,240
Research and development expense	-	-	3,464
General and administrative expense	-	-	2,137
In process research and development	-	-	5,000
Restructuring (recoveries) charges	-	-	(611)
Net (gain) loss on investments	-	(101)	(101)

Effect on pre-tax income	-	(\$101)	\$16,183

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

	Three Months Ended		Six Months Ended	
	October 27, 2006	October 28, 2005	October 27, 2006	October 28, 2005

SUMMARY RECONCILIATION OF NET INCOME

	October 27, 2006	October 28, 2005	October 27, 2006	October 28, 2005
NET INCOME	\$86,931	\$70,718	\$141,600	\$130,838
Adjustments:				
Amortization of intangible assets	4,687	3,852	9,373	6,523
Stock-based compensation expenses	42,423	3,344	85,445	5,372
In process research and development	-	5,000	-	5,000
Restructuring (recoveries) charges	-	645	(74)	(611)
Gain on sale of assets	(25,339)	-	(25,339)	-

Net (gain) loss on investments	2,000	(68)	2,000	(101)
Discrete GAAP tax provision items ratably for non-GAAP purposes	-	(2,437)	-	(2,437)
Tax effect on sale of assets	4,606	-	4,606	-
Discrete GAAP tax provision item	(2,159)	-	(2,159)	-
Income tax effect	(4,284)	(1,927)	(10,033)	(3,308)
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NON-GAAP NET INCOME	\$108,865	\$79,127	\$205,419	\$141,276
	=====	=====	=====	=====
EARNINGS PER SHARE	\$0.224	\$0.183	\$0.363	\$0.339
Adjustments:				
Amortization of intangible assets	0.012	0.010	0.024	0.017
Stock-based compensation expenses	0.109	0.009	0.219	0.014
In process research and development	-	0.013	-	0.013
Restructuring (recoveries) charges	-	0.002	-	(0.002)
Gain on sale of assets	(0.065)	-	(0.065)	-
Net (gain) loss on investments	0.005	-	0.005	-
Discrete GAAP tax provision items ratably for non-GAAP purposes	-	(0.006)	-	(0.006)
Tax effect on sale of assets	0.012	-	0.012	-
Discrete GAAP tax provision item	(0.006)	-	(0.006)	-
Income tax effect	(0.011)	(0.005)	(0.026)	(0.009)
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NON-GAAP EARNINGS PER SHARE	\$0.280	\$0.206	\$0.526	\$0.366
	=====	=====	=====	=====

NETWORK APPLIANCE, INC.
 RECONCILIATION OF NON GAAP GUIDANCE TO GAAP
 EXPRESSED AS EARNINGS PER SHARE
 THIRD QUARTER and FULL YEAR FISCAL 2007
 (Unaudited)

	Third Quarter 2007	Full Year 2007
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Non-GAAP Guidance	\$0.28	\$1.10 - \$1.11
Adjustments of Specific Items to Earnings Per Share for the Third Quarter and Full Year Fiscal 2007:		
Amortization of intangible assets	(0.01)	(0.05)
Stock based compensation expense	(0.11 - 0.12)	(0.42 - 0.44)
Restructuring recoveries	-	-
Gain on sale of assets	-	0.07
Loss on investment	-	(0.01)
Income tax effect	0.02	0.06
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Total Adjustments	(0.10 - 0.11)	(0.35 - 0.37)
GAAP Guidance - Earnings Per Share	\$0.17 - \$0.18	\$0.73 - \$0.76

CONTACT: Network Appliance, Inc.
 Jodi Baumann, 408-822-3974
 jodi@netapp.com

Tara Dhillon, 408-822-6909
tara@netapp.com
Billie Fagenstrom, 408-822-6428
billief@netapp.com