

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): August 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 August 17, 2004, Network Appliance, Inc. issued a press release announcing its earnings for the first quarter fiscal year 2005. 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.

August 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 August 17, 2004.
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Network Appliance Announces Results
for First Quarter Fiscal Year 2005;
Q1 Revenue Up 38% Year over Year;
Eleventh Consecutive Quarter of Growth

SUNNYVALE, Calif.--(BUSINESS WIRE)--Aug. 17, 2004--Network Appliance, Inc. (Nasdaq:NTAP), the leader in advanced networked storage solutions, today reported results for the first quarter of fiscal year 2005. Revenues for the first fiscal quarter were \$358.4 million, an increase of 38% compared to revenues of \$260.5 million for the same period a year ago and a 6% increase compared to \$337.0 million in the prior quarter.

For the first fiscal quarter, GAAP net income increased 73% to \$46.9 million, or \$0.13 per share(1) compared to GAAP net income of \$27.1 million, or \$0.08 per share for the same period in the prior year. Pro forma(2) net income for the first fiscal quarter increased 73% to \$49.9 million, or \$0.13 per share, compared to pro forma net income of \$28.7 million, or \$0.08 per share for the same period a year ago.

"NetApp demonstrated exceptional execution, a strong balance sheet, and continued cash generation during the quarter. We continue to drive our solutions deeper into our customers' data centers and mission-critical areas to solve significant issues around business continuity, regulatory compliance, and high data availability," said Dan Warmenhoven, CEO of Network Appliance. "Our focus is on expanding our market share and our results demonstrate that the market is continuing to move toward us."

Quarterly Highlights

Throughout the first quarter of fiscal year 2005, Network Appliance reinforced its leadership position by deploying new tier-one storage solutions, expanding partnerships, and enhancing its storage grid architecture. Customers deploying NetApp during the quarter for a variety of database, collaborative, and other data center and mission-critical applications included Audi AG, Canon, Catholic Healthcare West, China Everbright Bank, Ciena, City of Concord, ConocoPhillips, Fujitsu LTD, Gap Inc., GE Healthcare, Hearst Corporation, ING BHF Bank, Pixar, Progress Energy, Qualcomm, Sprint, Telstra, and University of Georgia. All levels of enterprise customers have chosen to deploy NetApp for a variety of reasons -- reduced complexity, a low total cost of ownership (TCO), and advanced management capabilities made possible through Data ONTAP(TM) and a range of additional storage software packages that unleash the value of enterprise data.

On the partners front, NetApp unveiled several new solution enhancements and partner offerings with McData, Ontrack Data Recovery, Oracle, Secure Computing, Symantec, Trend Micro, and VERITAS to address a variety of data concerns, including e-mail recovery, unified storage, and security issues facing enterprise customers.

For storage grid architectures, the company continued to set the pace for the rest of the industry in iSCSI and IP SAN (storage area network), with more than 700 real-world production deployments to date, and reinforced its leadership in other storage application areas such as data protection/recovery, disk-based nearline storage, and database storage. In database storage in particular, NetApp demonstrated its prowess with large Oracle(R) deployments at Universal Tax Systems and the South China Morning Post and received a prestigious SAP Pinnacle Award for innovation around storage for SAP environments. Finally, Network Appliance also debuted its new midrange unified storage models, the FAS920 and FAS920c. Designed to provide affordable enterprise-class performance, reliability and advanced data management features for midrange applications, the FAS920 can power applications in Fibre Channel and iSCSI SANs and network-attached storage (NAS) simultaneously.

In corporate news, Network Appliance recently announced that it is the recipient of a Job Development Investment Grant (JDIG) from the governor of North Carolina to assist in any expansion of newly acquired NetApp offices in Research Triangle Park, North Carolina. NetApp also added two new members to its board of directors: Mark Leslie and George Shaheen.

Conference Call Information

- The NetApp quarterly results conference call will be broadcast live via the Internet at <http://investors.netapp.com/> on Tuesday, August 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 (866) 800-8649 in the United States and (617) 614-2703 outside the United States. The passcode for both numbers is 19115940.

- A replay will be available for 72 hours following completion of the live call by dialing (888) 286-8010 in the United States and (617) 801-6888 outside the United States, replay code 62837719.

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.

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

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include market and marketshare trends which benefit the Company, and continued customer acceptance of the Company's products. 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; 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.

(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, net gain on investments, and the related effects on income taxes.

NetApp is a registered trademark and Network Appliance, Data ONTAP, 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 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)

	July 30, 2004	April 30, 2004
	-----	-----
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$228,045	\$241,149
Short-term investments	598,596	566,816
Accounts receivable, net	199,746	193,942
Inventories	34,710	34,109
Prepaid expenses and other	39,290	29,057
Deferred income taxes	24,719	24,163
	-----	-----
Total current assets	1,125,106	1,089,236
PROPERTY AND EQUIPMENT, net	392,588	370,717
GOODWILL	291,816	291,816
INTANGIBLE ASSETS, net	28,935	31,718
OTHER ASSETS	82,642	93,779
	-----	-----
	1,921,087	1,877,266
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:		
Accounts payable	\$ 51,691	\$ 52,719
Income taxes payable	15,172	16,033
Accrued compensation and related benefits	50,866	65,186
Other accrued liabilities	46,775	43,683
Deferred revenue	182,801	166,602
	-----	-----
Total current liabilities	347,305	344,223
LONG-TERM DEFERRED REVENUE	126,355	112,337
LONG-TERM OBLIGATIONS	4,787	4,858
	-----	-----
	478,447	461,418
	-----	-----
STOCKHOLDERS' EQUITY	1,442,640	1,415,848
	-----	-----
	1,921,087	1,877,266
	=====	=====

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

	Quarter Ended	
	July 30, 2004	August 1, 2003
	-----	-----
REVENUES:		
Product revenue	\$324,627	\$235,786
Service revenue	33,794	24,723
	-----	-----
Total revenues	358,421	260,509

COST OF REVENUES:		
Cost of product revenue	114,215	85,039
Cost of service revenue	29,248	19,347
	-----	-----
Total cost of revenues	143,463	104,386
	-----	-----
GROSS MARGIN	214,958	156,123
	-----	-----
OPERATING EXPENSES:		
Sales and marketing	103,311	79,356
Research and development	38,703	31,541
General and administrative	16,882	12,265
Stock compensation	2,104	654
	-----	-----
Total operating expenses	161,000	123,816
	-----	-----
INCOME FROM OPERATIONS	53,958	32,307
OTHER INCOME (EXPENSES), net:		
Interest income	4,082	3,045
Other expenses, net	(912)	(47)
Net gain on investments	--	145
	-----	-----
Total other income, net	3,170	3,143
	-----	-----
INCOME BEFORE INCOME TAXES	57,128	35,450
PROVISION FOR INCOME TAXES	10,266	8,377
	-----	-----
NET INCOME	\$ 46,862	\$ 27,073
	=====	=====
NET INCOME PER SHARE:		
BASIC	\$ 0.13	\$ 0.08
	=====	=====
DILUTED	\$ 0.13	\$ 0.08
	=====	=====
SHARES USED IN PER SHARE CALCULATION:		
BASIC	356,743	341,687
	=====	=====
DILUTED	372,974	358,497
	=====	=====

NETWORK APPLIANCE, INC.
 PRO FORMA (1) CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 (In thousands, except per share amounts)
 (Unaudited)

	Quarter Ended	
	July 30, 2004	August 1, 2003
	-----	-----
REVENUES:		
Product revenue	\$324,627	\$235,786
Service revenue	33,794	24,723
	-----	-----
Total revenues	358,421	260,509
	-----	-----
COST OF REVENUES:		

Cost of product revenue	113,357	83,675
Cost of service revenue	29,248	19,347
	-----	-----
Total cost of revenues	142,605	103,022
	-----	-----
GROSS MARGIN	215,816	157,487
	-----	-----
OPERATING EXPENSES:		
Sales and marketing	103,104	79,356
Research and development	38,703	31,541
General and administrative	15,614	12,265
	-----	-----
Total operating expenses	157,421	123,162
	-----	-----
INCOME FROM OPERATIONS	58,395	34,325
OTHER INCOME (EXPENSES), net	3,170	2,998
	-----	-----
INCOME BEFORE INCOME TAXES	61,565	37,323
PROVISION FOR INCOME TAXES	11,697	8,584
	-----	-----
NET INCOME	\$ 49,868	\$ 28,739
	=====	=====
NET INCOME PER SHARE:		
BASIC	\$ 0.14	\$ 0.08
	=====	=====
DILUTED	\$ 0.13	\$ 0.08
	=====	=====
SHARES USED IN PER SHARE CALCULATION:		
BASIC	356,743	341,687
	=====	=====
DILUTED	372,974	358,497
	=====	=====

(1) Pro forma results of operations exclude amortization of intangible assets, stock compensation, net gain on investments and the related effects on income taxes.

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	
	July 30,	August 1,
	2004	2003
	-----	-----
SUMMARY RECONCILIATION OF NET INCOME		
NET INCOME	\$46,862	\$27,073
Adjustments:		
Amortization of intangible assets	2,333	1,364
Stock compensation	2,104	654
Net gain on investments	--	(145)
Income tax effect	(1,431)	(207)

PRO FORMA NET INCOME	----- \$49,868 =====	----- \$28,739 =====
DILUTED PRO FORMA NET INCOME PER SHARE	----- \$0.13 =====	----- \$0.08 =====
SHARES USED IN DILUTED PRO FORMA NET INCOME PER SHARE CALCULATION:	----- 372,974 =====	----- 358,497 =====
----- DETAILED RECONCILIATION OF SPECIFIC ITEMS: -----		
COST OF REVENUES	\$143,463	\$104,386
Adjustment:		
Amortization of intangible assets	(858)	(1,364)
PRO FORMA COST OF REVENUES	----- \$142,605 =====	----- \$103,022 =====
GROSS MARGIN	\$214,958	\$156,123
Adjustment:		
Amortization of intangible assets	858	1,364
PRO FORMA GROSS MARGIN	----- \$215,816 =====	----- \$157,487 =====
SALES AND MARKETING EXPENSES	\$103,311	\$79,356
Adjustments:		
Amortization of intangible assets	(207)	--
PRO FORMA SALES AND MARKETING EXPENSES	----- \$103,104 =====	----- \$79,356 =====
GENERAL AND ADMINISTRATIVE EXPENSES	\$16,882	\$12,265
Adjustments:		
Amortization of intangible assets	(1,268)	--
PRO FORMA GENERAL AND ADMINISTRATIVE EXPENSES	----- \$15,614 =====	----- \$12,265 =====
OPERATING EXPENSES	\$161,000	\$123,816
Adjustments:		
Stock compensation	(2,104)	(654)
Amortization of intangible assets	(1,475)	--
PRO FORMA OPERATING EXPENSES	----- \$157,421 =====	----- \$123,162 =====

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

INCOME FROM OPERATIONS	\$53,958	\$32,307
Adjustments:		
Amortization of intangible assets	2,333	1,364
Stock compensation	2,104	654
PRO FORMA INCOME FROM OPERATIONS	----- \$58,395 =====	----- \$34,325 =====

TOTAL OTHER INCOME (EXPENSES), NET	\$3,170	\$3,143
Adjustments:		
Net gain on investments	--	(145)
	-----	-----
PRO FORMA TOTAL OTHER INCOME (EXPENSES), NET	\$3,170	\$2,998
	=====	=====
INCOME BEFORE INCOME TAXES	\$57,128	\$35,450
Adjustments:		
Amortization of intangible assets	2,333	1,364
Stock compensation	2,104	654
Net gain on investments	--	(145)
	-----	-----
PRO FORMA INCOME BEFORE INCOME TAXES	\$61,565	\$37,323
	=====	=====
PROVISION FOR INCOME TAXES	\$10,266	\$8,377
Adjustments:		
Income tax effect	1,431	207
	-----	-----
PRO FORMA PROVISION FOR INCOME TAXES	\$11,697	\$8,584
	=====	=====

NETWORK APPLIANCE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands - unaudited)

	Three Months Ended	
	July 30,	August 1,
	2004	2003
	-----	-----
Cash Flows from Operating Activities:		
Net income	\$46,862	\$27,073
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	13,239	13,426
Amortization of patents	451	150
Amortization of intangible assets	2,333	1,364
Stock compensation	2,104	654
Net (gain) loss on investments	(29)	(145)
Allowance for doubtful accounts (reversal)	(154)	(290)
Deferred rent	90	271
Changes in assets and liabilities:		
Accounts receivable	(5,650)	9,638
Inventories	(3,330)	(5,796)
Prepaid expenses and other assets	(1,261)	(2,306)
Accounts payable	(1,029)	2,202
Income taxes payable	4,831	2,602
Accrued compensation and related benefits	(14,319)	(5,271)
Other accrued liabilities	3,669	(1,708)
Deferred revenue	30,216	14,912
	-----	-----
Net cash provided by operating activities	78,023	56,776
	-----	-----
Cash Flows from Investing Activities:		
Purchases of short and long-term investments	(69,245)	(89,136)
Redemptions of short and long-term investments	35,645	92,581
Purchases of property and equipment	(33,285)	(12,318)
Proceeds from disposal of property and equipment	--	105
Proceeds from sales of investments	298	419
Purchase of patents	--	(9,015)
Purchases of equity securities	--	(325)
	-----	-----

Net cash used in investing activities	(66,587)	(17,689)
	-----	-----
Cash Flows from Financing Activities:		
Proceeds from sale of common stock related to employee stock transactions	23,202	24,256
Repurchases of common stock	(47,742)	(26,825)
	-----	-----
Net cash used in financing activities	(24,540)	(2,569)
	-----	-----
Net Increase (Decrease) in Cash and Cash Equivalents	(13,104)	36,518
Cash and Cash Equivalents:		
Beginning of period	241,149	284,161
	-----	-----
End of period	\$228,045	\$320,679
	=====	=====
Noncash Investing and Financing Activities:		
Deferred stock compensation, net of reversals	\$ (546)	\$1,668
Conversion of evaluation inventory to fixed assets	2,729	661
Income tax benefit from employee stock transactions	5,692	9,874
Supplemental cash flow information:		
Income taxes paid	6,826	1,456

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