

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)		
LAU JAMES K			NETWORK APPLIANCE INC [NTAP]			Director 10% Owner		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year)			X Officer (give title below) Other (specify below)		
495 EAST JAVA DRIVE			03/17/2006			Executive Vice President,		
(Street)			4. If Amendment, Date of Original Filed (Month/Day/Year)			6. Individual or Joint/Group Filing (Check Applicable Line)		
SUNNYVALE CA 94089						X Form filed by One Reporting Person		
(City)	(State)	(Zip)				Form filed by More than One Reporting Person		

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	03/17/2006		M		42,016	A	\$11.25	4,140,949	I	by Trust3
Common Stock	03/17/2006		M		17,984	A	\$11.25	4,158,933	I	by Trust3
Common Stock	03/20/2006		S		60,000	D	\$35.2028 ⁽¹⁾	4,098,933	I	by Trust3 ⁽²⁾
Common Stock								3,651	D	
Common Stock								52,600	I	by GRAT1 ⁽³⁾
Common Stock								52,600	I	by GRAT2 ⁽⁴⁾
Common Stock								16,000	I	by Trust1 ⁽⁵⁾
Common Stock								16,000	I	by Trust2 ⁽⁶⁾

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		Date Exercisable	Expiration Date						Title
Non-Qualified Stock Option (right to buy)	\$11.25	03/17/2006		M		42,016	(7)	05/24/2009	Common Stock	42,016	\$0	136,508	D	
Non-Qualified Stock Option (right to buy)	\$11.25	03/17/2006		M		17,984	(7)	05/24/2009	Common Stock	17,984	\$0	118,524	D	

Explanation of Responses:

1. The sale prices for the reported transaction were in a range of \$35.20 to \$35.2229 per share.
2. Shares held in trust by James K. Lau and Katherine S. Lau, trustees to the KNSK Trust UDT 9/18/00
3. Shares held in grantor retained annuity trust by Nextgen-K1 Trust U/I DTD Jan 30 2003, James K. Lau, Trustee
4. Shares held in grantor retained annuity trust by Nextgen-J1 Trust U/I DTD Jan 30 2003, James K. Lau, Trustee
5. Shares held in trust by Koon H. Lau, trustee to The Jason A. Lau 1998 Trust. Reporting person disclaims beneficial ownership of such shares.
6. Shares held in trust by Koon H. Lau, trustee to The Jonathan A. Lau 1998 Trust. Reporting person disclaims beneficial ownership of such shares.
7. Option vests with respect to 25% of the option shares on the first anniversary of the grant date and the balance in a series of equal monthly installments over the next 36 months of service thereafter.

By: Janice Mahoney by Power
of Attorney For: James K. Lau 03/21/2006

** 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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.