

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

NETAPP, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
 - Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - 1) Title of each class of securities to which transaction applies:
 - 2) Aggregate number of securities to which transaction applies:
 - 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
 - 4) Proposed maximum aggregate value of transaction:
 - 5) Total fee paid:
 - Fee paid previously with preliminary materials.
 - Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - 1) Amount Previously Paid:
 - 2) Form, Schedule or Registration Statement No.:
 - 3) Filing Party:
 - 4) Date Filed:
-
-



Go further, faster™

Proxy Proposal for Additional Equity

(Annual Meeting: Aug 31, 2010)

Tom Georgens, President & CEO

Steve Gomo, CFO

Tara Dhillon, VP IR

Shauna O'Boyle, Sr Mgr IR





Selected Financial Information

	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Non-GAAP Revenue	\$ 2.1B	\$ 2.8B	\$ 3.3B	\$ 3.5B	\$ 3.9B
Non-GAAP Income from Operations	\$343M	\$462M	\$495M	\$409M	\$631M
Earnings Per Share (fully diluted)					
GAAP	\$0.69	\$0.77	\$0.86	\$0.19	\$1.13
Non-GAAP	\$0.81	\$1.11	\$1.26	\$1.09	\$1.51
Total Employees	4,976	6,635	7,645	7,976	8,333
Free Cash Flow*	\$421M	\$699M	\$821M	\$600M	\$839M

*Defined as cash from operations less capital expenditures



Growth Potential Drives Equity Request

- Strong track record of growth (5yr revenue CAGR: 20%)
- Strong position relative to competition (taking share)

	Employees	Market Share	Position*
EMC	43,200	29%	#1
NetApp	8,333	14%	#2

- Large market opportunity to generate future growth
- Growth gated by sales coverage and R&D investment
- Additional equity fuels hiring to drive future growth

*Source: IDC, as of June 30, 2010



Proxy Proposals

1. To elect nine directors of the Company
2. To approve an amendment to the 1999 Stock Option Plan to increase the share reserve by an additional 7,000,000 shares of common stock
3. To approve an amendment to the Company's Employee Stock Purchase Plan to increase the share reserve by an additional 5,000,000 shares of common stock, to clarify the discretion of the Purchase Plan administrator to determine eligibility requirements, and to remove its fixed-term expiration date
4. To ratify the appointment of Deloitte & Touche LLP as independent auditors of the Company for the fiscal year ending April 29, 2011



Summary: Stock Option Plan Proposal #2

Fueling Continued Growth

- Requesting 2.0% of basic TSO
 - ~25% of all shares granted intended for new hires in FY11
 - Additional hiring helps fuel future growth
- Requesting your vote FOR stock plan proposal #2



NetApp Judicious with Grants

- Total shares granted has declined for past three years, despite larger employee population
- Average grant size has declined every year
 - FY10 avg new hire grant: ~1,200 options & ~500 RSUs
- 12% of total shares granted to new hires in FY10
- On average <10% of total refresh shares were granted to executive officers over past 5 years



Stock & Equity Grant Summary

NetApp manages equity grants to ~2% of TSO on a net dilution basis

	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>
Basic TSO	371M	371M	352M	330M	340M
Fully Diluted TSO (Treasury Method)	388M	389M	361M	335M	353M
Total Share Grants (Options and RSU's)	16.3M	14.6M	15.6M	10.9M	10.2M**
Net Share Grants	12.1M	11.5M	10.7M	5.9M	4.5M**
Net % of Basic TSO	3.3%*	3.1%*	3.0%*	1.8%	1.3%**

* includes impact of acquisitions of 1.0% in FY06, and 0.3% in FY07 and FY08

** excludes impact of shareholder-approved options exchange in FY10



Stock Option Grant History

	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>
Gross Share Grants	16.3M*	14.6M**	15.6M**	10.9M	10.2M
Shares Cancelled	<u>4.2M</u>	<u>3.1M</u>	<u>4.9M</u>	<u>5.0M</u>	<u>5.7M</u>
Net Share Grants	12.1M*	11.5M**	10.7M**	5.9M	4.5M
As a % of Gross Grants:					
% New Hire Grants (includes acquisition shares)	55%	50%	33%	23%	12%
% Refresh Grants	40%	41%	55%	70%	76%
% Other Grants (promotions/retention)	5%	9%	12%	7%	12%
Breakdown of Refresh Grants (Above)					
% to 16-B (Executives)	8%	8%	5%	9%	14%
% to Employee Base	32%	33%	50%	61%	62%

* Includes 2.0M shares assumed via acquisition

** Includes 1.0M shares assumed via acquisition in both 07 and 08



Impact of Options Exchange on Overhang

- 2009 shareholder-approved exchange program impact:
 - 24.5 million options surrendered
 - 3.23 million RSUs issued and subject to new vesting

	FY2006	FY2007	FY2008	FY2009	FY2010
Overhang	21%	20%	21%	18%	14%

Overhang
Formula $\frac{A + B + C}{A + B + C + D}$

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
Shares Requested in Proxy	Shares Available for Grant	Granted but Unexercised Shares	Basic TSO



Equity Availability Impacts Growth

Your vote FOR proxy proposal #2:

- Ensures stock incentives available for future growth
- Enables our ability to plan for additional growth in FY11 and beyond
- Restricting equity incentives can limit growth and reduce the value of the firm



**Thank you for your
consideration.**





Options Outstanding as of April 30, 2010

Range of Exercise Prices		Options Outstanding			Options Exercisable	
		Number Outstanding at April 25, 2008	Weighted Average Remaining Contractual Life (in yrs)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
\$0.55	\$12.43	2.5	2.91	\$10.09	2.2	\$9.90
12.52	13.56	3.7	5.6	13.56	1	13.56
13.63	19.17	3.6	2.95	16.58	3.4	16.61
19.22	20.69	5.3	3.92	20.36	3.2	20.16
20.7	22.56	4.9	4.38	21.81	3	21.67
22.62	24.72	4.1	5.08	23.81	2.2	23.48
24.98	30.74	4	4.89	28.41	3.2	28.28
30.88	33.54	5.2	5.49	32.94	2.4	32.36
33.77	121.69	1.9	3.97	40.92	1.6	41.7
122.19	122.19	—	0.42	122.19	—	122.19
\$0.55	\$122.19	<u>35.2</u>	4.47	\$23.02	<u>22.2</u>	\$22.92

Source: NetApp 10K as of Apr 30, 2010



NETAPP, INC.
RECONCILIATION OF NON-GAAP AND GAAP SELECTED FINANCIAL INFORMATION
(In millions, except net income per share amounts)
(Unaudited)

	Fiscal Year				
	2006	2007	2008	2009	2010
TOTAL NET REVENUES	\$ 2,067	\$ 2,804	\$ 3,303	\$ 3,406	\$ 3,914
Adjustment:					
GSA settlement	-	-	-	129	-
NON-GAAP TOTAL NET REVENUES	<u>\$ 2,067</u>	<u>\$ 2,804</u>	<u>\$ 3,303</u>	<u>\$ 3,535</u>	<u>\$ 3,914</u>
INCOME FROM OPERATIONS	308	301	314	47	488
Adjustments:					
GSA settlement	-	-	-	129	-
Amortization of intangible assets	16	21	27	29	21
Stock-based compensation expenses	14	163	148	141	-
In process research and development	5	-	-	-	-
Asset impairment	-	-	-	9	160
Acquisition-related retention cost	-	2	3	-	-
Prior acquisition-related costs	-	-	3	-	-
Restructuring and other charges	-	-	-	54	-
Gain on sale of assets	-	(25)	-	-	-
Acquisitions related (income) expense, net	-	-	-	-	(40)
NON-GAAP INCOME FROM OPERATIONS	<u>\$ 343</u>	<u>\$ 462</u>	<u>\$ 495</u>	<u>\$ 409</u>	<u>\$ 629</u>
NET INCOME PER SHARE	\$ 0.69	\$ 0.77	\$ 0.86	\$ 0.19	\$ 1.13
Adjustments:					
GSA settlement	-	-	-	0.39	-
Amortization of intangible assets	0.04	0.06	0.08	0.09	0.06
Stock-based compensation expenses	0.03	0.42	0.41	0.42	0.45
In process research and development	0.01	-	-	-	-
Asset impairment	-	-	-	0.03	-
Acquisition-related retention cost	-	-	0.01	-	-
Prior acquisition-related costs	-	-	0.01	-	-
Restructuring and other charges	-	-	-	0.16	0.01
Gain on sale of assets	-	(0.07)	-	-	-
Acquisitions related (income) expense, net	-	-	-	-	(0.11)
Non-cash interest expense	-	-	-	0.10	0.14
(Gain) loss on investments, net	-	-	(0.04)	0.09	(0.01)
Tax on sale of assets	-	0.01	-	-	-
Tax effect on sale of investments	-	-	0.01	-	-
Discrete GAAP tax provision items	(0.01)	-	0.05	0.02	(0.06)
Non-recurring American Jobs Creation Act income tax benefit	0.06	-	-	-	-
Income tax effect	(0.01)	(0.08)	(0.13)	(0.40)	(0.10)
NON-GAAP NET INCOME PER SHARE	<u>\$ 0.81</u>	<u>\$ 1.11</u>	<u>\$ 1.26</u>	<u>\$ 1.09</u>	<u>\$ 1.51</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	554	865	1,009	889	\$975
Cash used for purchases of property and equipment	(133)	(166)	(188)	(289)	(136)
FREE CASH FLOWS	<u>\$ 421</u>	<u>\$ 699</u>	<u>\$ 821</u>	<u>\$ 600</u>	<u>\$ 839</u>