

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 19, 2003

Network Appliance, Inc.  
(Exact name of Registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

0-27130  
(Commission  
File Number)

77-0307520  
(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 19, 2003, Network Appliance, Inc. issued a press release announcing its earnings for the first quarter fiscal year 2004. 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 19, 2003

By: /s/ Steven Gomo

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Steven J. Gomo  
Chief Financial Officer

Index to Exhibits

Exhibit	Description
99.1	Press release of Network Appliance, Inc. issued on August 19, 2003.

Network Appliance Announces Results for  
First Quarter Fiscal Year 2004;  
Strong Growth and Improved Operating Leverage

SUNNYVALE, Calif.--(BUSINESS WIRE)--Aug. 19, 2003--Network Appliance, Inc. (Nasdaq:NTAP), today announced results for the first quarter of fiscal year 2004. Revenues for the first fiscal quarter were \$260.5 million, an increase of 26% compared to revenues of \$206.8 million for the same period a year ago and an 8% increase compared to \$241.6 million in the prior quarter.

For the first quarter, GAAP net income increased 67% to \$27.1 million, or \$0.08 per share (1), compared to GAAP net income of \$16.2 million, or \$0.05 per share for the same period in the prior year. Pro forma (2) net income for the first quarter increased 59% to \$28.7 million, or \$0.08 per share, compared to pro forma net income of \$18.0 million, or \$0.05 per share for the same period a year ago.

"This quarter's results were highlighted by strong revenue growth and continued improvement in the operating profit margin," said Dan Warmenhoven, CEO of Network Appliance. "We continue to focus on our partnerships, innovative technology, and service and support solutions to help our customers meet their ever-increasing storage and storage management requirements."

#### Quarterly Highlights

In the first quarter of fiscal year 2004, Network Appliance continued to enhance its enterprise solutions, broaden its customer portfolio, expand its partnerships with other industry leaders, and gain market acceptance for its unified storage, iSCSI, NearStore(TM) and NetCache(R) solutions.

The company reinforced its commitment to interoperable management solutions by releasing the Manage ONTAP(TM) API Suite and Software Developers' Kit, which provides developers open access to Network Appliance(TM) application programming interfaces, enabling partners to more tightly integrate and synergize their management applications for optimal performance in NetApp(R) environments.

During the first quarter, customers from a variety of industries worldwide selected Network Appliance to store, manage and consolidate their business- and mission-critical data. Network Appliance enterprise storage and service wins include Ball State University; Continental Airlines; Siemens Business Services; Skidmore, Owings & Merrill LLP; Ticketmaster; and Visa Debit Processing Services. NearStore customer wins included EDS; Ford Motor Europe; and Jefferson Pilot Financial.

Network Appliance also expanded its channel strategy by signing distribution agreements with the North American Computer Products group of Arrow Electronics and Avnet Hall-Mark. The agreements enable new Network Appliance distributors to provide value-added resellers the tools, training, marketing, sales, and technical services to build and expand their storage businesses and open up greater market penetration opportunities for Network Appliance.

Network Appliance extended its strategic alliances with Oracle Corporation and Fujitsu Siemens Computers to offer low-cost, scalable, integrated server and storage platform solutions optimized for Oracle9i Database with Oracle9i Real Application Clusters (RAC) for Linux(R). Network Appliance, Oracle, and Fujitsu Siemens Computers also opened Europe's first Enterprise Technology Center dedicated to assisting users with implementing enterprise solutions.

More than 500 customers have downloaded NetApp iSCSI protocols to test in their enterprise environments, and Network Appliance continues to take a leadership position in iSCSI. In addition, IBM announced support of Network Appliance's iSCSI solutions in IBM DB2 Universal Database environments, helping customers leverage the benefits of a simple and more affordable storage area network infrastructure.

In other partner-related news, Network Appliance extended its partnership with McDATA Corporation to deliver optimized networked storage solutions for companies of all sizes. NetApp also expanded its leadership efforts in Linux technology by partnering with Red Hat and SuSE Linux to develop enterprise storage solutions on Linux technology.

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

(2) Pro forma results exclude amortization of intangible assets, stock compensation, restructuring charges, net gain or loss on investments, gain on sale of intangible assets, and the related effects on income taxes.

#### Conference Call Information

The NetApp quarterly results conference call will be broadcast live via the Internet from the investors section of Network Appliance's Web site at <http://investors.netapp.com> on Tuesday, August 19, 2003 at 2:00 p.m. Pacific time. The conference call will also be available live in a listen-only format at 800-218-0530 in the United States and 212-329-1452 outside the United States. A replay will be available for 72 hours following completion of the live call by dialing 800-405-2236 in the United States, and 303-590-3000 outside the United States, replay code 547054.

#### 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 solutions and services is available at [www.netapp.com](http://www.netapp.com).

NetApp and NetCache are registered trademarks and Network Appliance, NearStore, Manage 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. 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.

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

The statement regarding market acceptance of unified storage and other NetApp solutions is a forward-looking statement within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include any statement regarding future events or the future financial performance of Network Appliance Inc. that involves risks or uncertainties. In evaluating these statements, readers should specifically consider various factors that could cause actual events or results to differ materially from those indicated, including without limitation: decline in the general economic conditions, customer demand for products and services, customer acceptance of product architectures, increased competition, inherent risk in the international operations, 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 its most recently submitted 10-K and 10-Q.

Note to editors: tables to follow  
Note to Shareholder.com: NTAP - FIN

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

	August 1, 2003	April 30, 2003
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$320,679	\$284,161
Short-term investments	329,426	334,677
Accounts receivable, net	142,290	151,637
Inventories	36,694	31,559
Prepaid expenses and other	24,225	24,014
Deferred income taxes	27,906	27,444
	881,220	853,492
PROPERTY AND EQUIPMENT, net	363,677	362,862
GOODWILL	48,212	48,212
INTANGIBLE ASSETS, net	10,455	2,954
OTHER ASSETS	53,787	51,653
	\$1,357,351	\$1,319,173

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:		
Accounts payable	\$41,802	\$39,600
Income taxes payable	22,984	30,256
Accrued compensation and related benefits	35,376	40,647
Other accrued liabilities	50,220	43,841
Deferred revenue	110,247	110,672
	260,629	265,016
LONG-TERM DEFERRED REVENUE	79,035	63,698
LONG-TERM OBLIGATIONS	3,254	3,102
	342,918	331,816
STOCKHOLDERS' EQUITY	1,014,433	987,357
	\$1,357,351	\$1,319,173

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

	Quarter Ended	
	August 1, 2003	July 26, 2002
REVENUES:		
Product revenue	\$235,786	\$186,740

Service revenue	24,723	20,088
	-----	-----
Total revenues	260,509	206,828
	-----	-----
COST OF REVENUES:		
Cost of product revenue	85,039	63,655
Cost of service revenue	19,347	15,458
	-----	-----
Total cost of revenues	104,386	79,113
	-----	-----
GROSS MARGIN	156,123	127,715
	-----	-----
OPERATING EXPENSES:		
Sales and marketing	79,356	71,902
Research and development	31,541	27,868
General and administrative	12,265	7,438
Stock compensation	654	983
	-----	-----
Total operating expenses	123,816	108,191
	-----	-----
INCOME FROM OPERATIONS	32,307	19,524
OTHER INCOME (EXPENSE), net:		
Interest income	3,045	3,151
Other expense, net	(47)	(1,000)
Net gain/(loss) on investments	145	(726)
Gain on sale of intangible asset	--	604
	-----	-----
Total other income, net	3,143	2,029
	-----	-----
INCOME BEFORE INCOME TAXES	35,450	21,553
PROVISION FOR INCOME TAXES	8,377	5,388
	-----	-----
NET INCOME	\$27,073	\$16,165
	=====	=====
NET INCOME PER SHARE:		
BASIC	\$0.08	\$0.05
	=====	=====
DILUTED	\$0.08	\$0.05
	=====	=====
SHARES USED IN PER SHARE CALCULATION:		
BASIC	341,687	335,783
	=====	=====
DILUTED	358,497	350,122
	=====	=====

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	
	-----	
	August 1, 2003	July 26, 2002
	-----	-----

SUPPLEMENTAL INFORMATION:		
NET INCOME	\$27,073	\$16,165

Adjustments:		
Amortization of intangible assets	1,364	1,386
Stock compensation	654	983
Net (gain)/loss on investments	(145)	726
Gain on sale of intangible asset	--	(604)
Income tax effect	(207)	(623)
	-----	-----
PROFORMA NET INCOME	\$28,739	\$18,033
	=====	=====
DILUTED PRO FORMA NET INCOME PER SHARE	\$0.08	\$0.05
	=====	=====
SHARES USED IN DILUTED PRO FORMA NET INCOME PER SHARE CALCULATION	358,497	350,122
	=====	=====

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

	Quarter Ended	
	August 1, 2003	July 26, 2002
	-----	-----
REVENUES:		
Product revenue	\$235,786	\$186,740
Service revenue	24,723	20,088
	-----	-----
Total revenues	260,509	206,828
	-----	-----
COST OF REVENUES:		
Cost of product revenue	83,675	62,269
Cost of service revenue	19,347	15,458
	-----	-----
Total cost of revenues	103,022	77,727
	-----	-----
GROSS MARGIN	157,487	129,101
	-----	-----
OPERATING EXPENSES:		
Sales and marketing	79,356	71,902
Research and development	31,541	27,868
General and administrative	12,265	7,438
	-----	-----
Total operating expenses	123,162	107,208
	-----	-----
INCOME FROM OPERATIONS	34,325	21,893
OTHER INCOME, net	2,998	2,151
	-----	-----
INCOME BEFORE INCOME TAXES	37,323	24,044
PROVISION FOR INCOME TAXES	8,584	6,011
	-----	-----
NET INCOME	\$28,739	\$18,033
	=====	=====
NET INCOME PER SHARE:		
BASIC	\$0.08	\$0.05
	=====	=====
DILUTED	\$0.08	\$0.05
	=====	=====
SHARES USED IN PER SHARE		

CALCULATION:

BASIC	341,687	335,783
	=====	=====
DILUTED	358,497	350,122
	=====	=====

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

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