

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
 Estimated average burden
 hours per response: 0.5

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* <u>WARMENHOVEN DANIEL J</u> _____ (Last) (First) (Middle) 495 EAST JAVA DRIVE _____ (Street) SUNNYVALE CA 94089 _____ (City) (State) (Zip)			2. Issuer Name and Ticker or Trading Symbol <u>NETWORK APPLIANCE INC [NTAP]</u>			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) Chief Executive Officer		
			3. Date of Earliest Transaction (Month/Day/Year) 10/02/2006			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person		
			4. If Amendment, Date of Original Filed (Month/Day/Year)					

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	10/02/2006		M ⁽¹⁾		50,000	A	\$4.508	3,698,630	I	by Trust ⁽²⁾
Common Stock	10/02/2006		S ⁽¹⁾		50,000	D	\$37.7	3,648,630	I	by Trust ⁽²⁾
Common Stock								44,839	D	
Common Stock								970,000	I	by Lmted Ptnrshp ⁽³⁾
Common Stock								170	I	by Spouse ⁽⁴⁾
Common Stock								83,500	I	by Trust ⁽⁵⁾

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	(A)	(D)	Date Exercisable	Expiration Date						Title
Non-Qualified Stock Option (right to buy)	\$4.508	10/02/2006		M ⁽¹⁾			50,000	(6)	04/30/2008	Common Stock	50,000	\$0	255,648	D	

Explanation of Responses:

- The option exercise(s) and sale(s) reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on August 26, 2006.
- Shares held in trust by Daniel J. Warmenhoven & Charmaine A. Warmenhoven, trustees to The Warmenhoven 1987 Revocable Trust UTA dated 12/16/87, as amended.
- Shares held by Warmenhoven Ventures LP, a limited partnership of which the Warmenhoven Management Trust is the general partner, of which the reporting person and his wife are the trustees. Reporting person disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.
- Shares held by Charmaine A. Warmenhoven, Mr. Warmenhoven's spouse, as separate property. Reporting person disclaims beneficial ownership of such shares.
- Shares held in trust by Richard A. Andre, trustee to The Daniel J. Warmenhoven 1991 Children's Trust. Reporting person disclaims beneficial ownership of such shares.
- Option vests in equal monthly installments over the 36 months of services beginning with the second yearly anniversary of the grant date.

Remarks:

The reporting person no longer has a reportable beneficial interest in 900,035 shares of Network Appliance, Inc. common stock held in trust by Richard A. Andre, trustee to The Laura Warmenhoven Trust and included in the reporting person's prior ownership reports.

By: Janice Mahoney by Power
of Attorney For: Daniel J. Warmenhoven 10/03/2006

** 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.