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): February 16, 2011

NETAPP, INC.

(Exact name of Registrant as specified in its charter)

Delaware	**0-27130**	**77-0307520**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS 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)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On February 16, 2011, NetApp, Inc. ("NetApp" or the "Company") issued a press release and supplemental commentary reporting financial results for the third quarter and nine months ended January 28, 2011. The press release and supplemental commentary are furnished herewith as Exhibit 99.1 and Exhibit 99.2, respectively, and are incorporated herein by reference.

These exhibits shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Non-GAAP Financial Measures

To supplement NetApp's condensed consolidated financial statement information presented on a GAAP basis, the press release and supplemental commentary furnished herewith as Exhibit 99.1 and Exhibit 99.2, respectively, provide investors with certain non-GAAP measures, including, but not limited to, historical non-GAAP operating results and net income and historical and future non-GAAP net income per diluted share. For purposes of internal planning, performance measurement and resource allocation, NetApp's management uses non-GAAP measures of net income that exclude: (a) amortization of intangible assets, (b) stock-based compensation expenses, (c) acquisition related income and expenses, (d) restructuring and other charges, (e) asset impairments, (f) non-cash interest expense associated with our convertible debt, (g) net losses or gains on investments, and (h) our GAAP tax provision, but includes a non-GAAP tax provision based upon our projected annual non-GAAP effective tax rate for the first three quarters of the fiscal year and an actual non-GAAP tax provision for the fourth quarter of the fiscal year. NetApp's management uses these non-GAAP measures in making operating decisions because it believes the measurements provide meaningful supplemental information regarding NetApp's ongoing operational performance. These non-GAAP financial measures are used to: (1) measure company performance against historical results, (2) facilitate comparisons to our competitors' operating results, and (3) allow greater transparency with respect to information used by management in financial and operational decision making. In addition, these non-GAAP financial measures are used to measure company performance for the purposes of determining employee incentive plan compensation.

As described above, NetApp excludes the following items from its non-GAAP measures:

A. *Amortization of intangible assets.* NetApp records amortization of intangible assets that were acquired in connection with its business combinations. The amortization of intangible assets varies depending on the level of acquisition activity. Management finds it useful to exclude these charges to assess the appropriate level of various operating expenses to assist in budgeting, planning and forecasting future periods and in measuring operational performance.

B. *Stock-based compensation expenses.* NetApp excludes stock-based compensation expenses from its non-GAAP measures primarily because they are non-cash expenses. While management views stock-based compensation as a key element of our employee retention and long-term incentives, we do not view it as an expense to be used in evaluating operational performance in any given period. In addition, the valuation of stock-based awards and associated expense are based on factors and assumptions that management believes are, in large part, outside of management's control.

C. *Acquisition related income and expense.* NetApp excludes acquisition related income and expenses, including merger termination proceeds, from its non-GAAP measures primarily because they are not related to our on-going business and, therefore, cannot be relied upon for future planning and forecasting.

D. *Restructuring and other charges.* These charges include restructuring charges that are incurred based on the particular facts and circumstances of restructuring decisions, including employment and contractual settlement terms, and other related charges, and can vary in size and frequency. These items are not ordinarily included in our annual operating plan and related budget due to the unpredictability of the timing and size of these events. We therefore exclude them in our assessment of operational performance.

E. *Asset impairments.* These are non-cash charges to write down assets when there is an indication that the asset has become impaired. Management finds it useful to exclude these non-cash charges due to the unpredictability of these events in its assessment of operational performance.

F. *Non-cash interest expense*. These are non-cash charges from the amortization of debt discount and issuance costs. Management does not believe that these charges reflect the underlying performance of our business.

G. *Net losses or gains.* These include realized gains and losses on and other-than-temporary impairments of our investments related to significant investment impairments or liquidation events. Management believes that these gains and losses do not reflect the results of our underlying, on-going businesses and, therefore, finds it useful to exclude them in assessing our performance.

H. *Income tax effects.* NetApp excludes its GAAP tax provision from its non-GAAP measure of net income, but includes a non-GAAP tax provision based upon its projected annual non-GAAP effective tax rate for the first three quarters of the fiscal year and an actual non-GAAP tax provision for the fourth quarter of the fiscal year. Management believes the use of a non-GAAP tax provision provides a more meaningful measure of the company's operational performance in any given period.

There are limitations in using non-GAAP financial measures because the non-GAAP financial measures are not prepared in accordance with generally accepted accounting principles and may be different from non-GAAP financial measures used by other companies. In addition, the non-GAAP financial measures are limited in value because they exclude certain items that may have a material impact upon our reported financial results. Management compensates for these limitations by analyzing current and future results on a GAAP basis as well as a non-GAAP basis and also by providing GAAP measures in our earnings release and prepared remarks. The presentation of non-GAAP financial information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with generally accepted accounting principles in the United States. The non-GAAP financial measures are meant to supplement, and be viewed in conjunction with, GAAP financial measures. Investors should review the information regarding non-GAAP financial measures provided in our press release and prepared remarks.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit	**Description**
99.1	Press release, dated February 16, 2011, reporting earnings for the fiscal quarter and nine month period ended January 28, 2011.
99.2	Supplemental Commentary, dated February 16, 2011.

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.

NETAPP, INC.
(Registrant)

February 16, 2011	By:	/s/ Matthew Fawcett
		Matthew Fawcett Secretary, General Counsel, and Senior Vice President, Legal

Index to Exhibits

Exhibit	Description
99.1	Press release, dated February 16, 2011, reporting earnings for the fiscal quarter and nine month period ended January 28, 2011.
99.2	Supplemental Commentary, dated February 16, 2011.

99.1 PRESS RELEASE

NETAPP ANNOUNCES RESULTS FOR THIRD QUARTER FISCAL YEAR 2011

Company Reports Q3 FY'11 Revenues of $1.268 Billion, Up 25% Year over Year

Sunnyvale, Calif.—February 16, 2011—NetApp (NASDAQ: NTAP) today reported results for the third quarter of fiscal year 2011, which ended January 28, 2011. Revenues for the third quarter of fiscal year 2011 totaled $1.268 billion compared to revenues of $1.012 billion for the same period a year ago, an increase of 25% year over year.

For the third quarter of fiscal year 2011, GAAP net income was $172 million, or $0.42 per share[1], compared to GAAP net income of $108 million, or $0.30 per share, for the same period a year ago. Non-GAAP net income for the third quarter of fiscal year 2011 was $211 million, or $0.52 per share[2], compared to non-GAAP net income of $144 million, or $0.40 per share for the same period a year ago.

Revenues for the first nine months of fiscal year 2011 totaled $3.613 billion compared to revenues of $2.760 billion for the first nine months of the prior fiscal year, an increase of 31% year over year.

GAAP net income for the first nine months of fiscal year 2011 totaled $479 million, or $1.23 per share, compared to GAAP net income of $255 million, or $0.73 per share for the first nine months of the prior fiscal year. Non-GAAP net income for the first nine months of fiscal year 2011 totaled $596 million, or $1.53 per share, compared to non-GAAP net income of $350 million, or $1.00 per share for the first nine months of the prior fiscal year.

"NetApp demonstrated momentum in the market again this quarter, with product revenue growth of 32% year over year, strong gross margins, and continued market share gains. As customers move toward the next generation IT infrastructure, NetApp's innovation leadership is enabling compelling business outcomes for our customers and propelling our rapid growth," said Tom Georgens, president and CEO. "Our recent product launch further enhanced our competitive position and significantly surpassed our expectations. We have experienced the fastest uptake for a new product in the history of the company and as a result, demand has exceeded the available supply of our new FAS3200 systems. We pride ourselves on our ability to execute this business with precision, even in the face of exceptionally rapid growth. We are committed to catching up to the demand as quickly as possible."

Outlook

- NetApp estimates revenue for the fourth quarter of fiscal year 2011 to be approximately $1.380 billion, plus or minus 2%, which equates to approximately 7% to 11% sequential revenue growth and approximately 15% to 20% year over year revenue growth.
- NetApp estimates that fourth quarter fiscal year 2011 GAAP earnings per share will be approximately $0.38 to $0.42 per share. NetApp estimates that the fourth quarter fiscal year 2011 non-GAAP earnings per share will be approximately $0.49 to $0.53 per share.
- NetApp estimates that share count for the fourth quarter of fiscal year 2011 will increase to approximately 414 million shares, including an estimated 18 million shares from the company's outstanding convertible notes[3] and 12 million shares from outstanding warrants. Share count does not include the company's outstanding note hedges that are expected to offset 80% of the dilution from the convertible notes at maturity or conversion, which would equate to an offset of approximately 14 million shares if the conversion or maturity occurred in the third quarter.

Business Highlights

In the third quarter of fiscal year 2011, NetApp announced its biggest product launch in the company's history, aimed at enabling customers to address today's evolving business requirements by moving to a flexible and efficient shared IT infrastructure. Additionally, NetApp and its executives received several noteworthy industry honors and the company once again was named one of the best places to work in the country. Key business highlights include the following:

NetApp Paves the Way for Customers to Make the Transition to a Shared IT Infrastructure and Capitalize on New Growth Opportunities

- NetApp delivers the foundation for flexible and efficient shared IT infrastructures. With the biggest product launch in its history, NetApp unveiled enhancements to the NetApp Data ONTAP® operating system that enable greater flexibility, efficiency, scalability, and performance. NetApp also introduced the NetApp FAS/V6200 series of high-end storage systems and FAS/V3200 series of midrange storage systems, both built on unified architectures and able to help customers respond to the rapid growth and pace of business. Additional launch components included the OnCommand™ Management Software Suite, a SAS disk shelf, and new solid-state drives.

- NetApp, Cisco, and VMware enable customer transformation to a virtualized, shared IT infrastructure. Highlighting their ongoing collaboration, NetApp, Cisco, and VMware unveiled FlexPod™ for VMware, a unified, pretested, and validated shared infrastructure that can scale easily, be optimized for a variety of mixed application workloads, or be configured for virtual desktop or server infrastructure, secure multi-tenancy, or cloud environments. The three companies are working closely with leading channel partners to help customers take advantage of FlexPod for VMware to transform to a more efficient and flexible data center infrastructure.
- NetApp acquired Akorri Networks, Inc., a privately held company headquartered in Littleton, Massachusetts. Akorri's technology will enable NetApp to provide customers with comprehensive tools to automate and analyze their shared IT infrastructures, efficiently deliver on service levels, and respond to rapidly changing business needs.

Milestones and Awards

- NetApp named one of the Best Places to Work. NetApp was ranked #5 on *FORTUNE* magazine's "100 Best Companies to Work For" list for 2011, marking its third consecutive year in the top 10 and the fifth consecutive year in the top 15. NetApp also ranked #2 on *Crain's New York Business*'s annual "Best Places to Work in New York City" list for 2010. Both honors are a testament to NetApp's model company approach, strong culture, and talented employees.
- NetApp executives among most influential. Tom Georgens, president and CEO, and Julie Parrish, vice president of Global Partner Sales, were named two of the Top 100 Most Influential Executives in the industry by Everything Channel's *CRN* magazine. Georgens was included on the 25 Most Innovative Executives list for his leadership and focus on storage technology innovation and unparalleled channel commitment. Parrish was included on the Top 25 Channel Sales Leaders list for her role in increasing NetApp's global sales through its partner ecosystem.
- NetApp positioned in Leaders quadrant. Gartner, Inc. placed NetApp in the Leaders quadrant for midrange and high-end modular disk arrays. Gartner asserted that vendors in the Leaders quadrant "have the highest scores in their ability to execute and completeness of vision."[4]

Webcast and Conference Call Information

The NetApp third quarter fiscal year 2011 results conference call will be broadcast live on the Internet at http://investors.netapp.com on Wednesday, February 16, 2011, at 2:00 p.m. Pacific time. This press release and any other information related to the call will also be posted on the Web site at that location. An audio replay Webcast will also be available after 4:00 p.m. Pacific time on our Web site.

NetApp uses a hybrid format for disclosing key financial information associated with our quarterly results. Concurrent with the press release, NetApp posts a separate document with financial commentary and statistics. This supplemental commentary is available prior to the conference call in order to provide the investment community with additional time to analyze our results. The supplemental commentary will be posted to our Web site at investors.netapp.com and will not be read during the earnings call.

About NetApp
NetApp creates innovative storage and data management solutions that deliver outstanding cost efficiency and accelerate business breakthroughs. Discover our passion for helping companies around the world go further, faster 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 all of the statements under the Outlook section relating to our forecasted operating results, share count, and metrics for the fourth quarter of fiscal year 2011; expectations regarding our recent new product introductions and acquisitions, and our partnerships and strategic alliances; and the benefits that we expect our customers to realize from using our products and from our strategic alliances and partnerships. These forward-looking statements involve risks and uncertainties, and actual results could vary. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, customer demand for our products and services including our recent new product introductions; our ability to increase revenue and manage our operating costs; our reliance on a limited number of suppliers; our ability to accurately forecast demand for our products; increased competition risks associated with the anticipated growth in networked storage market; general economic and market conditions; our ability to deliver new product architectures and enterprise service offerings; our ability to design products and services that compete effectively from a price and performance perspective; and other important factors as described in NetApp reports and documents filed from time to time with the Securities and Exchange Commission (SEC), including the factors described under the sections captioned “Risk Factors” in our most recently submitted Annual and Quarterly Reports on Forms 10-K and 10-Q, respectively. We disclaim any obligation to update information contained in these forward-looking statements whether as a result of new information, future events, or otherwise.

1 GAAP earnings per share is calculated using the diluted number of shares for all periods presented.

2 Non-GAAP net income excludes the amortization of intangible assets, stock-based compensation expenses, acquisition related income and expenses, restructuring and other charges, asset impairments, non-cash interest expense associated with our convertible debt, net losses or gains on investments, and our GAAP tax provision, but includes a non-GAAP tax provision based upon our projected annual non-GAAP effective tax rate for the first three quarters of the fiscal year and an actual non-GAAP tax provision for the fourth quarter of the fiscal year. Non-GAAP earnings per share is calculated using the diluted number of shares for all periods presented.

3 80% hedged on maturity or conversion of the convertible notes.

4 "Magic Quadrant for Midrange and High-End Modular Disk Arrays" by Roger Cox, Stan Zaffos, Pushan Rinnen, and Jimmie Chang, November 2010.

NetApp Usage of Non-GAAP 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 ongoing operational performance. Non-GAAP net income excludes the amortization of intangible assets, stock-based compensation expenses, acquisition related income and expenses, restructuring and other charges, asset impairments, non-cash interest expense associated with our convertible debt, net losses or gains on investments, and our GAAP tax provision, but includes a non-GAAP tax provision based upon our projected annual non-GAAP effective tax rate for the first three quarters of the fiscal year and an actual non-GAAP tax provision for the fourth quarter of the fiscal year. We have excluded these items in order to enhance investors' understanding of our ongoing operations. The use of these non-GAAP financial measures has material limitations because they should not be used to evaluate our company without reference to their corresponding GAAP financial measures. As such, we compensate for these material limitations by using these non-GAAP financial measures in conjunction with GAAP financial measures.

These non-GAAP financial measures are used to: (1) measure company performance against historical results, (2) facilitate comparisons to our competitors' operating results, and (3) allow greater transparency with respect to information used by management in financial and operational decision making. In addition, these non-GAAP financial measures are used to measure company performance for the purposes of determining employee incentive plan compensation. 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.

NETAPP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)
(Unaudited)

	January 28, 2011	April 30, 2010
ASSETS		
Current assets:		
Cash, cash equivalents and investments	$ 4,755.7	$ 3,724.0
Accounts receivable, net	541.5	471.5
Inventories	97.2	112.9
Other current assets	204.3	228.7
Total current assets	5,598.7	4,537.1
Property and equipment, net	862.2	804.4
Goodwill and other intangible assets, net	772.4	706.1
Long-term investments and restricted cash	69.2	72.8
Other non-current assets	460.9	374.0
Total Assets	$ 7,763.4	$ 6,494.4
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 183.6	$ 184.6
Accrued compensation and other current liabilities	581.9	591.3
Short-term deferred revenue	1,176.9	1,135.1
Total current liabilities	1,942.4	1,911.0
Long-term debt and other obligations	1,341.2	1,273.4
Long-term deferred revenue	966.4	779.5
Total liabilities	4,250.0	3,963.9
Stockholders' equity	3,513.4	2,530.5
Total liabilities and stockholders' equity	$ 7,763.4	$ 6,494.4

NETAPP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except net income per share amounts)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	January 28, 2011	**January 29, 2010**	**January 28, 2011**	**January 29, 2010**
Revenues:				
Product	$ 818.6	$ 619.0	$ 2,319.4	$ 1,622.3
Software entitlements and maintenance	183.8	170.9	536.4	506.0
Service	265.7	221.8	757.5	631.3
Net revenues	1,268.1	1,011.7	3,613.3	2,759.6
Cost of revenues:				
Cost of product	329.3	253.9	933.1	665.6
Cost of software entitlements and maintenance	4.0	3.0	10.9	9.1
Cost of service	111.0	113.3	320.0	314.2
Total cost of revenues	444.3	370.2	1,264.0	988.9
Gross profit	823.8	641.5	2,349.3	1,770.7
Operating expenses:				
Sales and marketing	397.4	324.8	1,134.4	927.0
Research and development	166.0	129.3	472.1	392.0
General and administrative	61.9	58.1	182.3	174.6
Restructuring and other charges	(0.7)	-	(0.6)	2.7
Acquisition related (income) expense, net	0.6	-	0.9	(41.1)
Total operating expenses	625.2	512.2	1,789.1	1,455.2
Income from operations	198.6	129.3	560.2	315.5
Other income (expenses), net				
Interest income	10.3	7.5	29.6	23.0
Interest expense	(19.0)	(18.2)	(56.2)	(55.3)
Other income (expenses), net	0.4	(0.7)	1.2	(0.2)
Total other expenses, net	(8.3)	(11.4)	(25.4)	(32.5)
Income before income taxes	190.3	117.9	534.8	283.0
Provision for income taxes	17.8	10.0	55.9	27.8
Net income	$ 172.5	$ 107.9	$ 478.9	$ 255.2
Net income per share:				
Basic	$ 0.47	$ 0.32	$ 1.33	$ 0.76
Diluted	$ 0.42	$ 0.30	$ 1.23	$ 0.73
Shares used in net income per share calculations:				
Basic	364.8	341.4	358.8	337.5
Diluted	406.2	360.3	390.7	349.4

NETAPP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
(In millions)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	January 28, 2011	January 29, 2010	January 28, 2011	January 29, 2010
Cash Flows from Operating Activities:				
Net income	$ 172.5	$ 107.9	$ 478.9	$ 255.2
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	41.0	40.8	123.3	126.0
Stock-based compensation	45.0	36.7	127.0	122.1
Accretion of discount and issue costs on notes	13.3	12.5	39.2	37.8
Unrealized losses on derivative activities	5.7	-	12.4	-
Tax benefit from stock-based compensation	16.5	(17.1)	57.4	(2.7)
Excess tax benefit from stock-based compensation	(12.6)	0.4	(45.3)	(1.0)
Other, net	(8.8)	(1.7)	(26.6)	(5.8)
Changes in assets and liabilities:				
Accounts receivable	(95.0)	(139.6)	(67.7)	(7.9)
Inventories	(12.5)	(11.2)	15.7	(10.9)
Accounts payable	16.3	16.5	(2.3)	(0.4)
Accrued compensation and other current liabilities	49.7	80.9	(46.4)	(59.2)
Deferred revenue	140.9	74.3	222.5	60.1
Changes in other operating assets and liabilities, net	(8.5)	(5.6)	17.4	(12.9)
Net cash provided by operating activities	363.5	194.8	905.5	500.4
Cash Flows from Investing Activities:				
Purchases and redemptions of investments, net	(240.7)	11.0	(835.5)	(91.4)
Purchases of property and equipment	(66.3)	(49.7)	(149.8)	(97.2)
Acquisition of business, net of cash acquired	-	-	(74.9)	-
Other investing activities, net	0.8	0.6	0.8	4.1
Net cash used in investing activities	(306.2)	(38.1)	(1,059.4)	(184.5)
Cash Flows from Financing Activities:				
Issuance of common stock	75.9	96.6	312.0	156.7
Excess tax benefit from stock-based compensation	12.6	(0.4)	45.3	1.0
Other financing activities	2.4	-	0.4	-
Net cash provided by financing activities	90.9	96.2	357.7	157.7
Effect of Exchange Rate Changes on Cash and Cash Equivalents	0.1	(5.9)	10.6	8.0
Net Increase (Decrease) in Cash and Cash Equivalents	148.3	247.0	214.4	481.6
Cash and Cash Equivalents:				
Beginning of period	1,771.1	1,728.8	1,705.0	1,494.2
End of period	$ 1,919.4	$ 1,975.8	$ 1,919.4	$ 1,975.8

NETAPP, INC.
RECONCILIATION OF NON-GAAP AND GAAP
IN THE CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except net income per share amounts)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	January 28, 2011	January 29, 2010	January 28, 2011	January 29, 2010
SUMMARY RECONCILIATION OF NET INCOME				
NET INCOME	$ 172.5	$ 107.9	$ 478.9	$ 255.2
Adjustments:				
Amortization of intangible assets	3.5	4.9	13.4	15.6
Stock-based compensation expenses	44.8	36.6	127.0	122.0
Restructuring and other charges	(0.7)	-	(0.6)	2.7
Acquisition related (income) expense, net	0.6	-	0.9	(41.1)
Non-cash interest expense	13.2	12.5	39.2	37.8
Gain on investments	-	(0.7)	(2.5)	(3.5)
Income tax effect of non-GAAP adjustments	(23.3)	(17.4)	(60.1)	(38.8)
NON-GAAP NET INCOME	$ 210.6	$ 143.8	$ 596.2	$ 349.9
NET INCOME PER SHARE	$ 0.425	$ 0.299	$ 1.226	$ 0.730
Adjustments:				
Amortization of intangible assets	0.009	0.013	0.034	0.045
Stock-based compensation expenses	0.110	0.102	0.325	0.349
Restructuring and other charges	-	-	-	0.008
Acquisition related (income) expense, net	0.001	-	0.002	(0.118)
Non-cash interest expense	0.033	0.035	0.100	0.108
Gain on investments	-	(0.002)	(0.006)	(0.010)
Income tax effect of non-GAAP adjustments	(0.057)	(0.048)	(0.154)	(0.111)
NON-GAAP NET INCOME PER SHARE	$ 0.521	$ 0.399	$ 1.527	$ 1.001

NETAPP, INC.
SUPPLEMENTAL INFORMATION
(In millions)
(Unaudited)

	Three Months Ended January 28, 2011						
	Amortization of Intangible Assets	Stock-based Compensation Expenses	Restructuring and Other Charges	Acquisition related (income) expense, net	Non-Cash Interest Expense	Gain on Investments	Total
Cost of product revenues	$ 2.5	$ 0.9	$ -	$ -	$ -	$ -	$ 3.4
Cost of service revenues	-	3.6	-	-	-	-	3.6
Sales and marketing expense	1.0	21.2	-	-	-	-	22.2
Research and development expense	-	11.3	-	-	-	-	11.3
General and administrative expense	-	7.8	-	-	-	-	7.8
Restructuring and other charges	-	-	(0.7)	-	-	-	(0.7)
Acquisition related (income) expense, net	-	-	-	0.6	-	-	0.6
Interest expense	-	-	-	-	13.2	-	13.2
Effect on income before income taxes	$ 3.5	$ 44.8	$ (0.7)	$ 0.6	$ 13.2	$ -	$ 61.4

	Nine Months Ended January 28, 2011						
	Amortization of Intangible Assets	Stock-based Compensation Expenses	Restructuring and Other Charges	Acquisition related (income) expense, net	Non-Cash Interest Expense	Gain on Investments	Total
Cost of product revenues	$ 10.2	$ 2.6	$ -	$ -	$ -	$ -	$ 12.8
Cost of service revenues	-	10.7	-	-	-	-	10.7
Sales and marketing expense	3.2	59.2	-	-	-	-	62.4
Research and development expense	-	31.6	-	-	-	-	31.6
General and administrative expense	-	22.9	-	-	-	-	22.9
Restructuring and other charges	-	-	(0.6)	-	-	-	(0.6)
Acquisition related (income) expense, net	-	-	-	0.9	-	-	0.9
Interest expense	-	-	-	-	39.2	-	39.2
Other income (expenses), net	-	-	-	-	-	(2.5)	(2.5)
Effect on income before income taxes	$ 13.4	$ 127.0	$ (0.6)	$ 0.9	$ 39.2	$ (2.5)	$ 177.4

	Three Months Ended January 29, 2010						
	Amortization of Intangible Assets	**Stock-based Compensation Expenses**	**Restructuring and Other Charges**	**Acquisition related (income) expense, net**	**Non-Cash Interest Expense**	**Gain on Investments**	**Total**
Cost of product revenues	$ 4.1	$ 1.0	$ -	$ -	$ -	$ -	$ 5.1
Cost of service revenues	-	3.3	-	-	-	-	3.3
Sales and marketing expense	0.8	17.2	-	-	-	-	18.0
Research and development expense	-	8.9	-	-	-	-	8.9
General and administrative expense	-	6.2	-	-	-	-	6.2
Restructuring and other charges	-	-	-	-	-	-	-
Interest expense	-	-	-	-	12.5	-	12.5
Other income (expenses), net	-	-	-	-	-	(0.7)	(0.7)
Effect on income before income taxes	$ 4.9	$ 36.6	$ -	$ -	$ 12.5	$ (0.7)	$ 53.3

	Nine Months Ended January 29, 2010						
	Amortization of Intangible Assets	**Stock-based Compensation Expenses**	**Restructuring and Other Charges**	**Acquisition related (income) expense, net**	**Non-Cash Interest Expense**	**Gain on Investments**	**Total**
Cost of product revenues	$ 13.1	$ 2.7	$ -	$ -	$ -	$ -	$ 15.8
Cost of service revenues	-	10.7	-	-	-	-	10.7
Sales and marketing expense	2.5	56.9	-	-	-	-	59.4
Research and development expense	-	29.5	-	-	-	-	29.5
General and administrative expense	-	22.2	-	-	-	-	22.2
Restructuring and other charges	-	-	2.7	-	-	-	2.7
Acquisition related (income) expense, net	-	-	-	(41.1)	-	-	(41.1)
Interest expense	-	-	-	-	37.8	-	37.8
Other income (expenses), net	-	-	-	-	-	(3.5)	(3.5)
Effect on income before income taxes	$ 15.6	$ 122.0	$ 2.7	$ (41.1)	$ 37.8	$ (3.5)	$ 133.5

NETAPP, INC.
RECONCILIATION OF NON GAAP GUIDANCE TO GAAP
EXPRESSED AS EARNINGS PER SHARE
FOURTH QUARTER 2011
(Unaudited)

	Fourth Quarter 2011
Non-GAAP Guidance	$ 0.49 - $0.53
Adjustments of Specific Items to Net Income Per Share for the Fourth Quarter 2011:	
Stock based compensation expense	(0.11)
Amortization of intangible assets	(0.01)
Non cash interest expense	(0.03)
Income tax effect	0.04
Total Adjustments	(0.11)
GAAP Guidance -Net Income Per Share	$ 0.38 - $0.42

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99.2 SUPPLEMENTAL COMMENTARY

NetApp Q3 FY2011 Earnings Results

Supplemental Commentary
February 16, 2011

This supplemental commentary is being provided concurrently with our earnings press release to allow for additional time for review and analysis prior to commencement of the company's earnings call. These prepared remarks will not be read during the live call. The call will focus on strategic commentary from the CEO and CFO, followed by a question and answer session.

Safe Harbor Statement

These prepared remarks contain forward-looking statements and projections that involve risk and uncertainty, including the statements under the Q4 FY11 outlook section regarding our forecasted financial performance and share count for the fourth quarter of fiscal year 2011. Actual results may differ materially from our statements or projections. Factors that could cause actual results to differ from our statements or projections include, but are not limited to, customer demand for our products and services, including our recent new product introductions; our ability to increase revenue and manage our operating costs; our reliance on a limited number of suppliers; our ability to accurately forecast demand for our products and services; increased competition risks associated with the anticipated growth in the networked storage market; general economic and market conditions; our ability to deliver new product architectures and enterprise service offerings; and our ability to design products and services that compete effectively from a price and performance perspective. Other equally important factors are detailed in our accompanying press release as well as in our Annual and Quarterly reports on Forms 10-K and 10-Q, respectively, on file with the SEC and also available on our website, all of which are incorporated by reference into today's commentary.

All numbers herein are stated in accordance with U.S. Generally Accepted Accounting Principles (GAAP) unless indicated otherwise. To see the reconciling items between our non-GAAP and GAAP financial information, refer to the tables at the end of this document, as well as in our press release and on our website.

Q3 Fiscal Year 2011 Overview

Driven by the successful launch for our new products, our year over year product revenue growth was over 30% in Q3 despite tougher compares. Revenue growth was evident across all regions, with a notable 35% increase in EMEA over Q3 last year. Our profitability continues to expand with $211 million in non-GAAP net income this quarter, a 46% year over year gain. Cash generation remains robust as this quarter marks the second consecutive quarter of approximately $300 million in free cash flow.

Revenue

	Q3 FY11 Revenue	% of Q3 FY11 Revenue	Sequential Growth[1]	Year/Year Growth
Product Revenue	**$818M**	**65%**	**5%**	**32%**
Software Entitlements & Maintenance	**$184M**	**14%**	**3%**	**8%**
Service	**$266M**	**21%**	**6%**	**20%**
Net Revenue	**$1,268M**		**5%**	**25%**

Net revenue for the third quarter grew 5% sequentially to $1,268 million, an increase of 25% year over year.

Foreign currency fluctuations[2] increased our sequential results by approximately one percentage point while decreasing our year over year results by approximately one percentage point.

In the third quarter, product revenue was $818 million, an increase of 5% sequentially and 32% year over year. The product component of revenue remained constant at 65% of total revenue.

Revenue from software entitlements and maintenance (SEM), which is a deferred revenue element and is recognized over the related contract period, was $184 million or 14% of total revenue. SEM revenue grew 3% sequentially and increased 8% year over year.

[1] Sequential growth calculation based upon Q2 FY11 results, which can be found at investors.netapp.com

[2] Foreign currency effects represent the translation effect of changes in average foreign exchange rates between the current period and the comparative prior periods (or, in the case of deferred revenue, the exchange rate in effect when the transaction was invoiced), less current period actual net gains or losses on revenue hedging activities.

Service revenue was $266 million, an increase of 6% sequentially and 20% year over year. Service revenue was 21% of total revenue.

- Revenue from hardware maintenance support contracts, which is also a deferred revenue element, comprised approximately 67% of our services revenue this quarter, and increased 8% sequentially and 26% year over year.
- Professional services revenue grew 4% sequentially and 9% year over year.

Gross Margin

	Q3 FY11	Q2 FY11	Q3 FY10
Non-GAAP Gross Margin	**65.5%**	66.9%	64.2%
Product	**60.2%**	62.6%	59.8%
S/W Entitlements & Maintenance	**97.8%**	98.0%	98.3%
Services	**59.6%**	58.5%	50.4%

On a non-GAAP basis, total gross margin was 65.5% of revenue for Q3, down from 66.9% in Q2 due mainly to lower product gross margins, partially offset by higher service margins.

Operating Expenses

	Q3 FY11	Q2 FY11	Q3 FY10
Non-GAAP Operating Expenses	**$584M**	$569M	$479M

Non-GAAP operating expenses were $584 million, an increase of 3% from the prior quarter and an increase of 22% year over year. Q3 operating expenses were 46% of revenue, compared to 47% in Q2.

In Q3 we added net new 415 employees for a total global headcount of 9,758.

On a GAAP basis, Q3 operating expenses included stock compensation expense of $40 million, up from $34 million in Q2, and amortization of intangible assets.

Income from Operations, Other Income & Effective Tax Rate

	Q3 FY11	Q2 FY11	Q3 FY10
Non-GAAP Income from Operations	**$247M**	$240M	$171M
% of Revenue	**19.4%**	19.8%	16.9%
Non-GAAP Other Income, Net	**$5M**	$3M	$.4M
Non-GAAP Income Before Income Taxes	**$252M**	$242M	$171M
Non-GAAP Effective Tax Rate	**16.3%**	16.3%	16.0%

Non-GAAP income from operations was $247 million or 19.4% of revenue in Q3. This represents an increase of 3% sequentially and 44% year over year.

In Q3, non-GAAP other income, net was $5 million. GAAP other expense, net includes approximately $13 million of non-cash interest expense associated with our convertible notes.

Non-GAAP income before income taxes was $252 million or 19.8% of revenue in Q3, compared to 20.1% of revenue in the prior quarter. Similar to the prior quarters of this fiscal year, our non-GAAP effective tax rate was 16.3%.

Net Income

	Q3 FY11	Q2 FY11	Q3 FY10
Non-GAAP Net Income	**$211M**	$203M	$144M
Weighted Average Common Shares Outstanding, dilutive	**406M**	392M	360M
Non-GAAP Net Income per Share, diluted	**$0.52**	$0.52	$0.40

Non-GAAP net income totaled $211 million, or $0.52 per share. GAAP net income was $172 million, or $0.42 per share. Diluted share count increased 14 million shares from the prior quarter to approximately 406 million shares.

Impact of Convertible Note Transaction on Share Count

	Q3 FY11	Q2 FY11	Q3 FY10
Convertible Notes[3]	**17M**	12M	0
Warrants	**10M**	4M	0

For Q3, our dilutive share count was approximately 406 million, slightly lower than our guidance of approximately 408 million. With our average stock price for the quarter of $54.77, both the convertible notes and the warrants had a dilutive impact on our share count.

Our convertible notes have a dilutive impact on our share count whenever our average quarterly stock price is above the notes' $31.85 conversion price. We expect the dilutive effect from the notes will ultimately be 80% hedged, although that hedge will not be reflected until the notes are converted or mature in June 2013 as it is considered anti-dilutive under GAAP. If the notes had been converted in Q3, the hedge would have reduced our share count by approximately 14 million shares.

Unlike the notes, the warrants are not hedged and are dilutive whenever the average quarterly stock price is above $41.28.

Select Balance Sheet Items

	Q3 FY11	Q2 FY11	Q3FY10
Cash, Cash Equivalents & Investments	**$4.8B**	$4.4B	$3.2B
Deferred Revenue	**$2.1B**	$2.0B	$1.8B
DSO (days)[4]	**39**	34	41
Inventory Turns[5]	**18.0**	18.8	20.1

For the third quarter, cash, cash equivalents and short term investments grew by $374 million, ending the quarter at $4.8 billion, up 9% sequentially and 47% year over year. Similar to the prior quarter, 57% of the cash balance was held in the United States.

Our balance sheet reflects a total deferred revenue balance of $2.1 billion, an increase of 7% sequentially and 19% year over year.

Accounts receivable days sales outstanding (DSO) increased from 34 days in Q2 to 39 days in Q3. Q3 inventory turns of 18 were similar to last quarter.

[3] 80% hedged on maturity or conversion of the convertible notes.

[4] Days sales outstanding are defined as accounts receivable net divided by net revenue, multiplied by number of days in the quarter.

[5] Inventory turns are defined as annualized non-GAAP COGS divided by net inventory.

Select Cash Flow Statement Items

	Q3 FY11	Q2 FY11	Q3 FY10
Net Cash Provided by Operating Activities	**$364M**	$365M	$195M
Purchases of Property and Equipment	**$66M**	$43M	$50M
Free Cash Flow[6]	**$297M**	$321M	$145M
Free Cash Flow as % of Total Revenue	**23%**	27%	14%

Net cash provided by operating activities was $364 million, similar to last quarter and an increase of 86% over Q3 last year. Capital expenditures were $66 million, an increase of $23 million from last quarter. Free cash flow totaled $297 million or 23% of revenue and decreased 7% sequentially but more than doubled year over year.

Q4 FY11 Outlook

	Q4 FY11 Outlook
Revenue	$1,380, +/- 2%
	7% - 11% sequential growth
	15% - 20% year over year growth
Share Count	Approximately 414M
Non-GAAP Net Income per Share, Diluted	$0.49 - $0.53
GAAP Net Income per Share, Diluted	$0.38 - $0.42

This forecast is based on current business expectations and current market conditions. Dilutive share count includes the impact of our convertible note and warrants, based upon our average stock price of $58.22 for the first 10 days of our fourth quarter. We estimate share count for the fourth quarter of fiscal year 2011 will increase to approximately 414 million shares, including an estimated 18 million shares from the Company's outstanding convertible notes and 12 million shares from outstanding warrants. Share count does not include the Company's outstanding note hedges that are expected to offset 80% of the dilution from the convertible notes at maturity or conversion, which would equate to an offset of approximately 14 million shares if the conversion or maturity occurs in the fourth quarter.

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[6] Free cash flow is defined as net cash provided by operating activities less cash purchases of property and equipment.

Other Business Metrics

Geographic Mix

	% of Q3 FY11 Revenue	Q3 FY11 Revenue	Year/Year Growth
Americas	**54%**	$690M	19%
U.S. Commercial	***42%***	*$531M*	*23%*
U.S. Public Sector	***12%***	*$159M*	*8%*
EMEA	**36%**	$450M	35%
AsiaPacific	**10%**	$128M	28%

The Americas contributed $690 million, 54% of total revenue in Q3, a decrease of 7% sequentially and an increase of 19% year over year. The Americas numbers include the commercial and public sector. The U.S. commercial contributed $531 million or 42% of revenue, an increase of 6% sequentially and 23% year over year. The U.S. public sector generated $159 million or 12% of total revenue, a decrease of 34% from Q2 but an increase of 8% year over year. In the third quarter, EMEA contributed $450 million or 36% of total revenue, up 29% sequentially and 35% year over year. AsiaPacific generated $128 million or 10% of revenues. APAC revenue was up 10% from the prior quarter and 28% year over year.

Channel Mix

	% of Q3 FY11 Revenue	% of Q2 FY11 Revenue	% of Q3 FY10 Revenue
Direct	**26%**	28%	30%
Indirect	**74%**	72%	70%
Arrow	**18%**	18%	16%
Avnet	**12%**	15%	12%
IBM	**5%**	3%	6%

In the third quarter, direct revenue was 26% of total revenue and declined 2% sequentially while increasing 7% year over year. Our indirect business continues to grow and represents 74% of this quarter's revenues; this is an increase of 8% sequentially and 33% year over year.

Within the indirect channel, Arrow accounted for 18% of total revenue and Avnet contributed 12% of total revenue. Revenue from our IBM OEM partnership was 5% of total revenue.

Platform Trends

Total system units shipped grew 7% sequentially and increased 23% year over year. After a decline of 23% last quarter, large system units grew 15% this quarter and increased 12% year over year. Medium-sized system units increased 14% sequentially while posting 49% year over year growth. Small-sized systems units increased 2% sequentially and 12% year over year. Units of the V-series platform increased 17% sequentially and 78% year over year.

Capacity Trends (in Petabytes)	Q3 FY10	Q4 FY10	Q1 FY11	Q2 FY11	Q3 FY11
Fibre Channel	88	99	79	84	73
ATA	209	298	323	349	364
SAS	29	49	68	90	128
Total	326	446	470	523	565

Our capacity shipped expanded to 565 petabytes shipped in Q3, representing an increase of 8% sequentially and 73% year over year. ATA and SAS drives continue to gain traction with our customers.

Additional Information

For more detailed information about our solutions, corporate strategy and our go-to-market initiatives, please visit our website at www.netapp.com.

NetApp Usage of Non-GAAP 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 ongoing operational performance. Non-GAAP net income excludes the amortization of intangible assets, stock-based compensation expenses, acquisition related income and expenses, restructuring and other charges, asset impairments, non-cash interest expense associated with our convertible debt, net losses or gains on investments, and our GAAP tax provision, but includes a non-GAAP tax provision based upon our projected annual non-GAAP effective tax rate for the first three quarters of the fiscal year and an actual non-GAAP tax provision for the fourth quarter of the fiscal year. We have excluded these items in order to enhance investors' understanding of our ongoing operations. The use of these non-GAAP financial measures has material limitations because they should not be used to evaluate our company without reference to their corresponding GAAP financial measures. As such, we compensate for these material limitations by using these non-GAAP financial measures in conjunction with GAAP financial measures.

These non-GAAP financial measures are used to: (1) measure company performance against historical results, (2) facilitate comparisons to our competitors' operating results, and (3) allow greater transparency with respect to information used by management in financial and operational decision making. In addition, these non-GAAP financial measures are used to measure company performance for the purposes of determining employee incentive plan compensation. 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.

NETAPP, INC.
RECONCILIATION OF NON-GAAP AND GAAP
IN THE CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except net income per share amounts)
(Unaudited)

	Three Months Ended		
	January 28, 2011	October 29, 2010	January 29, 2010
SUMMARY RECONCILIATION OF NET INCOME			
NET INCOME	$ 172.5	$ 164.6	$ 107.9
Adjustments:			
Amortization of intangible assets	3.5	4.4	4.9
Stock-based compensation expenses	44.8	37.7	36.6
Restructuring and other charges	(0.7)	0.1	-
Acquisition related expense, net	0.6	-	-
Non-cash interest expense	13.2	13.0	12.5
Gain on investments	-	-	(0.7)
Income tax effect of non-GAAP adjustments	(23.3)	(17.1)	(17.4)
NON-GAAP NET INCOME	$ 210.6	$ 202.7	$ 143.8
DETAILED RECONCILIATION OF SPECIFIC ITEMS:			
COST OF REVENUES	$ 444.3	406.3	$ 370.2
Adjustment:			
Amortization of intangible assets	(2.5)	(3.3)	(4.1)
Stock-based compensation expenses	(4.5)	(3.9)	(4.2)
NON-GAAP COST OF REVENUES	$ 437.3	$ 399.1	$ 361.9

COST OF PRODUCT REVENUES	$ 329.3	$ 296.1	$ 253.9
Adjustment:			
Amortization of intangible assets	(2.5)	(3.3)	(4.1)
Stock-based compensation expenses	(0.9)	(0.8)	(1.0)
NON-GAAP COST OF PRODUCT REVENUES	$ 325.9	$ 292.0	$ 248.8
COST OF SERVICE REVENUES	$ 111.0	$ 106.7	$ 113.3
Adjustment:			
Stock-based compensation expenses	(3.6)	(3.1)	(3.3)
NON-GAAP COST OF SERVICE REVENUES	$ 107.4	$ 103.6	$ 110.0
GROSS PROFIT	$ 823.8	$ 801.1	$ 641.5
Adjustment:			
Amortization of intangible assets	2.5	3.3	4.1
Stock-based compensation expenses	4.5	3.9	4.2
NON-GAAP GROSS PROFIT	$ 830.8	$ 808.3	$ 649.8
SALES AND MARKETING EXPENSES	$ 397.4	$ 382.8	$ 324.8
Adjustments:			
Amortization of intangible assets	(1.0)	(1.1)	(0.8)
Stock-based compensation expenses	(21.2)	(17.3)	(17.2)
NON-GAAP SALES AND MARKETING EXPENSES	$ 375.2	$ 364.4	$ 306.8
RESEARCH AND DEVELOPMENT EXPENSES	$ 166.0	$ 156.6	$ 129.3
Adjustments:			
Stock-based compensation expenses	(11.3)	(9.2)	(8.9)
NON-GAAP RESEARCH AND DEVELOPMENT EXPENSES	$ 154.7	$ 147.4	$ 120.4
GENERAL AND ADMINISTRATIVE EXPENSES	$ 61.9	$ 64.2	$ 58.1
Adjustments:			
Stock-based compensation expenses	(7.8)	(7.3)	(6.2)
NON-GAAP GENERAL AND ADMINISTRATIVE EXPENSES	$ 54.1	$ 56.9	$ 51.9
OPERATING EXPENSES	$ 625.2	$ 603.7	$ 512.2
Adjustments:			
Amortization of intangible assets	(1.0)	(1.1)	(0.8)
Stock-based compensation expenses	(40.3)	(33.8)	(32.3)
Restructuring and other charges	0.7	(0.1)	-
Acquisition related expense, net	(0.6)	-	-
NON-GAAP OPERATING EXPENSES	$ 584.0	$ 568.7	$ 479.1
INCOME FROM OPERATIONS	$ 198.6	$ 197.4	$ 129.3
Adjustments:			
Amortization of intangible assets	3.5	4.4	4.9
Stock-based compensation expenses	44.8	37.7	36.6
Restructuring and other charges	(0.7)	0.1	-
Acquisition related expense, net	0.6	-	-
NON-GAAP INCOME FROM OPERATIONS	$ 246.8	$ 239.6	$ 170.8

TOTAL OTHER EXPENSES, NET	$ (8.3)	$ (10.5)	$ (11.4)
Adjustments:			
Non-cash interest expense	13.2	13.0	12.5
Gain on investments	-	-	(0.7)
NON-GAAP TOTAL OTHER INCOME (EXPENSES), NET	$ 4.9	$ 2.5	$ 0.4
INCOME BEFORE INCOME TAXES	$ 190.3	$ 186.9	$ 117.9
Adjustments:			
Amortization of intangible assets	3.5	4.4	4.9
Stock-based compensation expenses	44.8	37.7	36.6
Restructuring and other charges	(0.7)	0.1	-
Acquisition related expense, net	0.6	-	-
Non-cash interest expense	13.2	13.0	12.5
Gain on investments	-	-	(0.7)
NON-GAAP INCOME BEFORE INCOME TAXES	$ 251.7	$ 242.1	$ 171.2
PROVISION FOR (BENEFIT FROM) INCOME TAXES	$ 17.8	$ 22.3	$ 10.0
Adjustments:			
Income tax effect of non-GAAP adjustments	23.3	17.1	17.4
NON-GAAP PROVISION FOR INCOME TAXES	$ 41.1	$ 39.4	$ 27.4
NET INCOME PER SHARE	$ 0.425	$ 0.420	$ 0.299
Adjustments:			
Amortization of intangible assets	0.009	0.011	0.013
Stock-based compensation expenses	0.110	0.096	0.102
Restructuring and other charges	-	-	-
Acquisition related expense, net	0.001	-	-
Non-cash interest expense	0.033	0.033	0.035
Gain on investments	-	-	(0.002)
Income tax effect of non-GAAP adjustments	(0.057)	(0.043)	(0.048)
NON-GAAP NET INCOME PER SHARE	$ 0.521	$ 0.517	$ 0.399

Reg G Schedule

NETAPP, INC.
RECONCILIATION OF NON GAAP GUIDANCE TO GAAP
EXPRESSED AS EARNINGS PER SHARE
FOURTH QUARTER 2011
(Unaudited)

	Fourth Quarter 2011
Non-GAAP Guidance	$ 0.49 - $0.53
Adjustments of Specific Items to Net Income Per Share for the Fourth Quarter 2011:	
Stock based compensation expense	(0.11)
Amortization of intangible assets	(0.01)
Non cash interest expense	(0.03)
Income tax effect	0.04
Total Adjustments	(0.11)
GAAP Guidance -Net Income Per Share	$ 0.38 - $0.42