

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>			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) <u>Chief Executive Officer</u>		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) <u>09/27/2006</u>					
495 EAST JAVA DRIVE			4. If Amendment, Date of Original Filed (Month/Day/Year)			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person		
(Street) <u>SUNNYVALE CA 94089</u>								
(City) (State) (Zip)								

**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	09/27/2006		M		50,000	A	\$4.508	3,698,630	I	by Trust <sup>(1)</sup>
Common Stock	09/27/2006		S		50,000	D	\$37.2029 <sup>(2)</sup>	3,648,630	I	by Trust <sup>(1)</sup>
Common Stock								44,839	D	
Common Stock								970,000	I	by Lmted Ptnrshp <sup>(3)</sup>
Common Stock								170	I	by Spouse <sup>(4)</sup>
Common Stock								83,500	I	by Trust <sup>(5)</sup>
Common Stock								900,035	I	by Trust <sup>(6)</sup>

**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)	\$4.508	09/27/2006		M		50,000	(7)	04/30/2008	Common Stock	50,000	\$0	305,648	D	

**Explanation of Responses:**

- 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.
- The sale prices for the reported transaction were in a range of \$37.20 to \$37.37 per share.
- 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.
- Shares held in trust by Richard A. Andre, trustee to The Laura Warmenhoven Trust, under trust agreement dated June 13, 2005. Reporting person disclaims beneficial ownership of such shares.

7. Option vests in equal monthly installments over the 36 months of services beginning with the second yearly anniversary of the grant date.

By: Janice Mahoney by Power  
of Attorney For: Daniel J. Warmenhoven 09/29/2006

\*\* 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.**