

MENDOZA THOMAS F
Form 4
December 15, 2004

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
MENDOZA THOMAS F

2. Issuer Name and Ticker or Trading Symbol
NETWORK APPLIANCE INC
[NTAP]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
495 EAST JAVA DRIVE
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
12/13/2004

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
President

SUNNYVALE, CA 94089
(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
____ Form filed by More than One Reporting Person

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 or Price | | |
| Common Stock | 12/13/2004 | | M | | 260,000 A \$ 11.25 | 2,011,725 | D |
| Common Stock | 12/13/2004 | | S | | 260,000 D \$ 32.98 | 1,751,725 | D |
| Common Stock | 12/13/2004 | | M | | 2,648 A \$ 14.167 | 195,025 | I by Spouse |
| Common Stock | 12/13/2004 | | M | | 2,187 A \$ 17.146 | 197,212 | I by Spouse |
| Common Stock | 12/13/2004 | | S | | 4,835 D \$ 32.75 | 192,377 | I by Spouse |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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 control number.

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(9-02)

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 Underlying Security (Instr. 3 and 4) | 8. Amount of Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|---|
| Non-Qualified Stock Option (right to buy) | \$ 11.25 | 12/13/2004 | | M | 260,000 | <u>(1)</u> 05/24/2009 | Common Stock | 26 |
| Non-Qualified Stock Option (right to buy) | \$ 14.167 | 12/13/2004 | | M | 2,648 | <u>(2)</u> 01/02/2010 | Common Stock | 2 |
| Non-Qualified Stock Option (right to buy) | \$ 17.146 | 12/13/2004 | | M | 2,187 | <u>(3)</u> 01/01/2011 | Common Stock | 2 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------|-------|
| | Director | 10% Owner | Officer | Other |
| MENDOZA THOMAS F 495 EAST JAVA DRIVE SUNNYVALE, CA 94089 | | | President | |

Signatures

By: Janice Mahoney by Power of Attorney For: Thomas F. Mendoza

12/15/2004

__Signature of Reporting Person

Date

Explanation of Responses:

* 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).

(1) Option vests with respect to 25% of the option shares on the first anniversary of the grant date and the balance in a series of equal monthly installments over the next 36 months of service thereafter.

(2)

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Option vests with respect to 1/12 of the option shares on January 31, 2002 and the balance in a series of equal month installments over the next 11 months thereafter.

- (3) Option vests with respect to 1/12 of the option shares on 1/31/01 and the balance in a series of equal month installments over the next 11 months thereafter.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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