

LAU JAMES K  
Form 4  
February 24, 2006

**FORM 4**

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

OMB APPROVAL

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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 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 \*  
LAU JAMES K

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)  
02/23/2006

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Executive Vice 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	(D)	Price			
Common Stock	02/23/2006		S <sup>(1)</sup>		35,000	D	\$ 32.8751 (2)	4,133,933	I	by Trust <sup>(3)</sup>
Common Stock								3,651	D	
Common Stock								52,600	I	by GRAT <sup>(4)</sup>
Common Stock								52,600	I	by GRAT <sup>(5)</sup>

Common Stock	16,000	I	by Trust1 (6)
Common Stock	16,000	I	by Trust2 (7)

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

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**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 Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 5)
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						Code	V	(A)	(D)

## Reporting Owners

Reporting Owner Name / Address	Relationships
	Director    10% Owner    Officer    Other
LAU JAMES K 495 EAST JAVA DRIVE SUNNYVALE, CA 94089	Executive Vice President,

## Signatures

By: Janice Mahoney by Power of Attorney For: James K. Lau 02/24/2006

\_\_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) This sale was effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on March 30, 2005.
- (2) The sale prices for the reported transaction were in a range of \$32.52 to \$33.16 per share.

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- (3) Shares held in trust by James K. Lau and Katherine S. Lau, trustees to the KNSK Trust UDT 9/18/00
- (4) Shares held in grantor retained annuity trust by Nextgen-K1 Trust U/I DTD Jan 30 2003, James K. Lau, Trustee
- (5) Shares held in grantor retained annuity trust by Nextgen-J1 Trust U/I DTD Jan 30 2003, James K. Lau, Trustee
- (6) Shares held in trust by Koon H. Lau, trustee to The Jason A. Lau 1998 Trust. Reporting person disclaims beneficial ownership of such shares.
- (7) Shares held in trust by Koon H. Lau, trustee to The Jonathan A. Lau 1998 Trust. Reporting person disclaims beneficial ownership of such shares.

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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