

NETWORK APPLIANCE INC

Form 4

December 22, 2004

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
ALLEN JEFFRY R

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)
12/21/2004

____ Director ____ 10% Owner
____X____ Officer (give title ____ Other (specify
below) below)
Exec VP, Business Operations

SUNNYVALE, CA 94089

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

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

(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	12/21/2004		M		18,517	A	\$ 11.25
					78,533	D	

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
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SEC 1474
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)**

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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. Amount or Number of Shares
Incentive Stock Option (right to buy)	\$ 11.25	12/21/2004		M	18,517	<u>(1)</u> 05/24/2009	Common Stock	18,517

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
ALLEN JEFFRY R 495 EAST JAVA DRIVE SUNNYVALE, CA 94089	Exec VP, Business Operations

Signatures

By: Janice Mahoney by Power of Attorney For: Jeffry R.
Allen 12/22/2004

__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).

Option vests with respect to 10% of the option shares on the first anniversary of the grant date; 20% of the shares in equal monthly
(1) installments over the next 12 months of service; 30% of the shares in equal monthly installments over the following 12 months of service;
and 40% of the shares in equal monthly installments over the final 12 months of service.

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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