



NETAPP ANNOUNCES RESULTS FOR FIRST QUARTER FISCAL YEAR 2011

Record Q1; Company Records Q1 FY²⁰¹¹ Revenues of \$1.14 Billion, Up 36% Year Over Year

NetAppTM

Sunnyvale, Calif. August 18, 2010 NetApp

(NASDAQ: NTAP) today reported results for the first quarter of fiscal year 2011, which ended July 30, 2010. Revenues for the first fiscal quarter of 2011 totaled US\$1.14 billion compared to revenues of \$838 million for the same period a year ago. For the first fiscal quarter of fiscal year 2011, GAAP net income was \$142 million or \$0.38 per share¹ compared to GAAP net income of \$52 million, or \$0.15 per share for the same period in the prior year. Non-GAAP net income for the first fiscal quarter of fiscal year 2011 was \$183 million, or \$0.49 per share², compared to non-GAAP net income of \$76 million, or \$0.22 per share for the same period a year ago.

With total revenue growth for the quarter of 36% and product revenue growth of 51% year over year, NetApp has begun our fiscal year with great momentum, said Tom Georgens, president and CEO. The NetApp value proposition allows customers to implement more flexible and efficient storage infrastructures at a lower cost. Our results indicate we are achieving clear customer preference as IT organizations transform their data centers. Outlook

NetApp estimates revenue for the second quarter of fiscal year 2011 to be in the range of \$1.16 billion to \$1.21 billion. NetApp estimates share count for the second quarter of fiscal year 2011 to increase by about 6 million shares. NetApp estimates that the second quarter of fiscal year 2011 GAAP earnings per share will be approximately \$0.35 to \$0.38 per share. NetApp estimates that the second quarter fiscal year 2011 non-GAAP earnings per share will be approximately \$0.47 to \$0.50 per share.

Business Highlights

In the first quarter of fiscal year 2011, NetApp expanded its strategic relationships with Microsoft and other partners to help customers and service providers make the transition to a cloud computing environment. NetApp, VMware, and Cisco also strengthened their trilateral collaboration by unveiling new solutions to increase data center efficiencies for customers. In addition, NetApp achieved several milestones and earned several awards during the quarter related to customer adoption of key technologies and its unique corporate culture.

Key business highlights included the following: NetApp Strengthens Relationship with Microsoft
NetApp and Microsoft streamline data center management and accelerate cloud computing.

NetApp announced closer integration with Microsoft technology to help joint customers and service providers more easily manage their virtualized environments and build internal and public clouds. This tighter integration will allow customers to make their data centers more efficient, agile, and dynamic.

NetApp integrates with Microsoft toolkit to help service providers take small and medium-sized businesses (SMBs) to the cloud.

While enterprise-class data protection has historically been too expensive for most SMBs, NetApp's integration with the Microsoft

Dynamic Data Center Toolkit for Hosters enables service providers to

make data protection a reality for their SMB customers. NetApp unveils solutions for Microsoft SharePoint Server 2010 environments.

NetApp SnapManager 6.0 for Microsoft SharePoint 2010 and other new storage solutions enable customers to make a smooth transition to

SharePoint 2010. As storage demands continue to increase for SharePoint 2010, SnapManager 6.0 will help customers improve scalability, optimize storage resources, and reduce costs.

NetApp and Partners Enable Flexible IT

NetApp, Cisco, and VMware unveil end-to-end Fibre Channel over Ethernet (FCoE) solution for the dynamic data center.

These three partners delivered the industrys first certified end-to-end FCoE solution for VMware virtual environments. With NetApp FCoE solutions and Cisco data center switches now validated to support VMware virtualized environments, this significant milestone helps customers achieve greater data center efficiencies and progress on their journey to the cloud. NetApp increases focus on service providers to help customers move to cloud computing. NetApps integration of service providers into its 2010/2011 NetApp Partner Program tightens the relationship between NetApp, its key service provider partners, and its value-added reseller partners, allowing them to more effectively work together to help customers make the transition to a cloud environment.

Milestones and Awards

NetApp exceeds exabyte barrier with storage efficiency technologies. NetApp became the first storage vendor to achieve more than an exabyte of storage with deduped storage-system deployments. As a leader in primary storage deduplication, NetApp has deployed more than 87,000 deduped storage systems while more than 12,000 customers have benefitted from its portfolio of storage efficiency products. NetApp customers have purchased more than a petabyte of Flash Cache. Since its introduction in September 2009, NetApp Flash Cache has helped customers improve storage efficiency and performance. NetApps incorporating flash memory as intelligent cache in its unified storage systems allows NetApp customers to optimize performance while decreasing both capital and operating expenses. NetApp ranked #3 in best place to work in D.C. area list.

The Washington Business Journal named NetApp #3 in the Large Company category (with nonlocal headquarters) on its Best Places to Work list in the D.C. area for 2010. The honor marks the second consecutive year that NetApp has finished in the top five in this ranking and is further testament to NetApps strong corporate culture. NetApp ranked #1 in Switzerland by the Great Place to Work Institute. NetApp was recognized as the Best Employer in Switzerland by the Great Place to Work Institute for 2010. NetApp now ranks in the top 20 in 10 different regions, including #7 in the United States. NetApp RTP data center earns EPAs ENERGY STAR. The NetApp RTP dynamic data center became the first ever data center to earn the U.S. Environmental Protection Agency's (EPAs) prestigious ENERGY STAR for its superior energy efficiency. Achieving a near-perfect score of 99 out of 100, the unique RTP data center has reduced CO2 emissions for NetApp by approximately 95,000 tons per year, which is equivalent to removing 16,000 cars per year from the road. NetApp recognizes cutting-edge customers with NetApp Innovation Awards. NetApp held its sixth annual Innovation Awards to honor cutting-edge customers from around the world who leveraged NetApp solutions in an innovative way to improve their business. Winning organizations included Microsoft, Weta Digital, BT Global Services, WNS Global Services, T-Systems, and the Pennsylvania Office of the Attorney General.

Webcast and Conference Call InformationThe NetApp first quarter fiscal year 2011 results conference call will be broadcast live on the Internet at <http://investors.netapp.com>

on Wednesday, August 18, 2010, 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 now uses a new hybrid format for disclosing key financial information associated with our quarterly results. Concurrent with the press release, NetApp will post and distribute a separate document with financial commentary and statistics that was previously disclosed during our earnings calls. These prepared remarks will be available prior to the conference call in order to provide the investment community with additional time to analyze our results. This commentary 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 second quarter of fiscal year 2011, our expectations regarding our current and new partnerships and strategic alliances, and the benefits that we expect our customers to realize from using our products and those 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 customer demand for our products and services; our ability to increase revenue and manage our operating costs; increased competition risks associated with the anticipated growth in network 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; our reliance on a limited number of suppliers; our ability to accurately forecast demand for our products; 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 10-K and 10-Q. We disclaim any obligation to update information contained in these forward-looking statements whether as a result of new information, future events, or otherwise.

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VMware is a registered trademark of VMware, Inc. Microsoft and SharePoint are registered trademarks of Microsoft Corporation. All

other brands or products are trademarks or registered trademarks of

their respective holders and should be treated as such.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.

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.

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