



NETAPP ANNOUNCES RESULTS FOR THIRD QUARTER OF FISCAL YEAR 2010

Record Revenues of US\$1.01 Billion; Non-GAAP EPS of US\$0.40

NetApp[™]

SUNNYVALE, Calif. – February 17, 2010– NetApp (NASDAQ: NTAP) today reported results for the third quarter of fiscal year 2010, which ended January 29, 2010. GAAP revenues for the third quarter of fiscal 2010 were US\$1.01 billion, compared to GAAP and non-GAAP revenues¹ of US\$746 million and US\$874 million, respectively, for the same period one year ago. For the third fiscal quarter of 2010, GAAP net income was \$108 million, or \$0.30 per share² compared to GAAP net loss of \$82 million, or (\$0.25) per share for the same period in the prior year. Non-GAAP³ net income for the third fiscal quarter of 2010 was \$144 million, or \$0.40 per share, compared to non-GAAP net income of \$93 million, or \$0.28 per share for the same period one year ago. GAAP revenues for the first nine months of the current fiscal year totaled \$2.76 billion, compared to GAAP and non-GAAP revenues of \$2.5 billion and \$2.7 billion, respectively, for the first nine months of the prior fiscal year. GAAP net income for the first nine months of the current fiscal year totaled \$255 million, or \$0.73 per share, compared to GAAP net loss of \$4 million, or \$0.01 per share for the first nine months of the prior fiscal year. Non-GAAP net income for the first nine months of the current fiscal year totaled \$350 million, or \$1.00 per share, compared to non-GAAP net income of \$262 million, or \$0.78 per share for the first nine months of the prior fiscal year. “The NetApp team demonstrated remarkable execution this quarter. With record revenues, record profits and record EPS, the company produced double-digit year over year revenue growth and our operations team shipped a record number of systems, despite persistent supply constraints,” said Tom Georgens, president and CEO. “I am very pleased with the breadth of our progress. Business levels grew in every major geography, we gained momentum in both our channel and our direct business, and clearly gained market share this quarter.” Outlook NetApp estimates revenue for the fourth quarter of fiscal year 2010 to be in the range of \$1.07 billion to \$1.10 billion. NetApp estimates share count for the fourth quarter of fiscal year 2010 to increase by about 6 million shares. NetApp estimates that the fourth quarter of fiscal year 2010 GAAP earnings per share will be approximately \$0.31 to \$0.33 per share. NetApp estimates that the fourth quarter fiscal year 2010 non-GAAP earnings per share to be approximately \$0.42 to \$0.44 per share.

Business Highlights In the third quarter of fiscal year 2010, NetApp made several key announcements regarding new and expanded alliances with top IT industry leaders, the delivery of new products and solutions designed to drive greater efficiency in customers’ shared data center infrastructures, and several industry awards and accolades. Key business highlights during the quarter included the following.

New and Expanded Strategic Alliances Cisco, NetApp, and VMware Expand Longstanding Collaboration. Cisco, NetApp, and VMware collaborated to deliver new design architectures that help customers make their virtualized data centers more efficient, dynamic, and secure. The companies introduced an end-to-end secure multi-tenancy design architecture that provides enhanced security when sharing data center resources across virtualized and enterprise cloud environments. Cisco, NetApp, and VMware will also offer a cooperative support model for these pretested and validated design architectures to help customers quickly build a unified, virtualized infrastructure.

Microsoft and NetApp Announce Strategic Alliance. Microsoft and NetApp announced a new three-year agreement to collaborate on and deliver technology solutions that span virtualization, private cloud computing, and storage and data management. This will enable customers to increase data center management efficiencies, reduce costs, and improve business agility. The strategic alliance will deepen product collaboration and technical integration and will extend joint sales and marketing activities to customers worldwide.

Fujitsu and NetApp Plan to Expand Their Global Partnership. Fujitsu and NetApp announced their intention to deepen their partnership globally and to provide more tightly integrated and automated storage and data management solutions. The companies intend to jointly develop integrated products and services specifically in the areas of virtualization, storage and data management, and storage services and solutions. The expanded relationship will enable customers to derive greater value and efficiencies from their dynamic infrastructures.

New Products and Solutions New Tools to Manage Virtual Desktops in VMware Environments. NetApp introduced new tools and support to help customers deploy and manage virtual desktops through VMware View™ 4. With the release of NetApp Rapid Cloning Utility 3.0, customers can simplify the way they provision VMware virtual machines and streamline their business.

New Virtualization Solutions for Microsoft Environments. NetApp unveiled NetApp SnapManager for Hyper-V™ and SnapManager 6.0 for Microsoft Exchange Server to minimize the complexity of physical and virtualized infrastructures.

Industry Awards and Accolades NetApp Named a Great Place to Work. NetApp was ranked #7 in FORTUNE magazine’s "100 Best Companies to Work For" list. This is the second consecutive year that NetApp ranked in the top 10 and the fourth consecutive year it ranked in the top 15. Gartner Positions NetApp as Leader in Midrange Enterprise Disk Array Magic Quadrant. NetApp was positioned by Gartner, Inc. in the Leaders quadrant in its recently released research note “Magic Quadrant for Midrange Enterprise Disk Arrays.”⁴ Vendors in the Leaders quadrant have the highest scores for their ability to execute and their completeness of vision. NetApp eBI Project Earns InfoWorld 100 Award. NetApp’s enterprise business intelligence (eBI) project was honored as part of IDG's InfoWorld 100 Awards for 2009, which recognize the 100 most innovative uses of IT initiatives that further business goals. NetApp Receives WRAP Award for Waste Management Programs. The California Integrated Waste Management B