NetApp, Inc.
Form 424B5
December 05, 2012
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**Filed pursuant to Rule 424(b)(5)**
**Registration No. 333-185217**

**Subject to Completion, Dated December 5, 2012**

**The information in this Preliminary Prospectus Supplement is not complete and may be changed. This Preliminary Prospectus Supplement and the accompanying Prospectus do not constitute an offer to sell these securities or a solicitation of an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**Preliminary Prospectus Supplement**

**(To Prospectus dated November 30, 2012)**

**$**

# NetApp, Inc.

## $ % Senior Notes Due 20

## $ % Senior Notes Due 20

We are offering $ aggregate principal amount of our % Senior Notes due 20 (the 20 notes ) and $ aggregate principal amount of our % Senior Notes due , 20 (the 20 notes and together with the 20 notes, the notes ).

The 20 notes will bear interest at a rate of % per annum and the 20 notes will bear interest at a rate of % per annum. We will pay interest semi-annually on and , commencing , 2013.

The 20 notes will mature on , 20 and the 20 notes will mature on , 20 .

We may redeem the notes at any time at the redemption prices set forth under the heading Description of Notes Optional Redemption in this prospectus supplement. Upon the occurrence of a change of control repurchase event, we will be required to make an offer to repurchase the notes at a price equal to 101% of their principal amount plus accrued and unpaid interest to, but not including, the date of repurchase.

The notes will be our senior unsecured obligations and will rank equally with our other senior unsecured indebtedness. The notes will not be listed on any securities exchange or included in any automated quotation system.

For a more detailed description of the notes, see Description of Notes beginning on page S-21 of this prospectus supplement.

**Investing in these securities involves certain risks. See Risk Factors beginning on page S-15 of this prospectus supplement.**

| | Price to Public(1) | Underwriting Discounts and Commissions | Proceeds to Us (Before Expenses) |
|---|---|---|---|
| Per 20 note | % | % | % |
| 20 notes total | $ | $ | $ |
| Per 20 note | % | % | % |
| 20 notes total | $ | $ | $ |
| Total | $ | $ | $ |

(1) Plus accrued interest, if any, from December , 2012, if settlement occurs after that date.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The underwriters expect to deliver the notes through the facilities of The Depository Trust Company ( DTC ) and its participants, including Clearstream Banking, S.A. ( Clearstream ) and Euroclear Bank, S.A./N.V. ( Euroclear ), on or about December , 2012.

*Joint Book-running Managers*

**J.P. Morgan** **Morgan Stanley**

**The date of this prospectus supplement is December , 2012.**

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### PROSPECTUS SUPPLEMENT



### PROSPECTUS

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## ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is the prospectus supplement, which describes the specific terms of this offering. The second part is the prospectus, which contains a general description of our debt securities and other general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with the additional information described under the heading Where You Can Find More Information and Incorporation by Reference on page S-41.

In this prospectus supplement, except as otherwise indicated or unless the context otherwise requires, NetApp , the company , we , us and our to NetApp, Inc. and its consolidated subsidiaries. If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement.

Currency amounts in this prospectus supplement are stated in U.S. dollars.

This prospectus supplement and the accompanying prospectus may be used only for the purpose for which they have been prepared. No one is authorized to give information other than that contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you.

**We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since that date.**

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## SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS

This prospectus supplement contains or incorporates by reference certain statements that are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act ). Forward-looking statements usually contain the words estimate, intend, plan, predict, seek, may, will, should, v anticipate, expect, believe, or similar expressions and variations or negatives of these words. In addition, any statements that refer to expectations, projections, or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. All forward-looking statements, including but not limited to, statements about:

- our future financial and operating results;
- our business strategies;
- management s plans, beliefs and objectives for future operations, research and development;
- economic and industry trends or trend analysis;
- product introductions, development, enhancements and acceptance;
- acquisitions and joint ventures, growth opportunities, investments and legal proceedings;
- competitive positions;
- future cash flows and cash deployment strategies;
- short-term and long-term cash requirements, including anticipated capital expenditures;
- our anticipated tax rate;
- the dilutive effect of our 1.75% Convertible Senior Notes due June 2013, or the Convertible Notes, and associated warrants on our earnings per share;
- the conversion, maturation or repurchase of the Convertible Notes;
- compliance with laws, regulations and debt covenants; and
- the continuation of our stock repurchase program

are inherently uncertain as they are based on management s current expectations and assumptions concerning future events, and are subject to numerous known and unknown risks and uncertainties. Therefore, our actual results may differ materially from the forward-looking statements contained or incorporated by reference herein. Factors that could cause actual results to differ materially from those described or incorporated by reference herein include, but are not limited to:

- acceptance of, and demand for, our products, including our recent product introductions;
- our ability to increase our customer base, market share and revenue;
- general economic and market conditions, the global macroeconomic environment, particularly in the Eurozone, and the continuing deliberations regarding future tax and fiscal policy in the United States;
- the amount of orders received in future periods;
- our ability to ship our products in a timely manner;
- our ability to achieve anticipated pricing, cost, and gross margins levels;
- our ability to successfully manage our backlog and increase revenue;
- our ability to successfully execute on our strategies;

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our ability to effectively integrate acquired products and technologies;

our ability to successfully introduce new products and forecast demand for those products;

our ability to maintain the quality of our hardware, software and services offerings;

our ability to adapt to changes in market demand;

demand for our services and support and the growth of the storage markets generally;

our ability to identify and respond to significant market trends and emerging standards;

the impact of industry consolidation;

our ability to successfully manage our investment in people, process, and systems;

our ability to maintain our partner, supplier and contract manufacturer relationships;

the ability of our suppliers and contract manufacturers to meet our requirements;

the ability of our competitors to introduce new products that compete successfully with our products;

our ability to grow direct and indirect sales and to efficiently utilize global service and support;

variability in our gross margins;

our ability to sustain and/or improve our cash and overall financial position;

our cash requirements and terms and availability of financing;

valuation and liquidity of our investment portfolio;

our ability to finance business acquisitions, construction projects and capital expenditures through cash from operations and/or financing;

- our ability to finance the exercise of our options to buy out our synthetic leases when their terms expire;

- the results of our ongoing litigation, tax audits, government audits, inquiries and investigations; and

- those factors discussed under the heading  Risk Factors  in our Quarterly Report on Form 10-Q for the quarter ended October 26, 2012.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof and are based upon information available to us at this time. These statements are not guarantees of future performance. We disclaim any obligation to update information in any forward-looking statement. Actual results could vary from our forward-looking statements due to the foregoing factors as well as other important factors, including those described under  Risk Factors  starting on page S-15.

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## SUMMARY

*The following summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus or incorporated by reference herein and therein. It may not contain all of the information that you should consider before investing in the notes. For a more complete discussion of the information you should consider before investing in the notes, you should carefully read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein.*

### Our Company

We are a leading provider of innovative storage systems and data management solutions that form the foundation for efficient and flexible IT infrastructures. Our storage systems help customers streamline operations and lower the cost associated with storing and managing their data. Our unified fabric-attached storage (FAS) platform offers the optimal storage platform for business applications, shared infrastructures, and cloud environments. Our E-Series systems, acquired from LSI Corporation, provide the cost-effective, high-performance storage building blocks for value-added customization and big data workloads. We are a leading original equipment manufacturer (OEM) storage provider with a 15-year track record of enabling OEMs to offer market-leading IT and storage solutions that serve specific markets and customer requirements.

We were incorporated in 1992 and shipped the world s first networked storage appliance one year later. Since then, we have brought to market many innovations in storage and data management. Our evolution can be attributed to our history of identifying and creating new markets and innovating around market transitions. These markets include:

- **Shared infrastructures.** A market shift from traditional dedicated storage to shared storage in virtualized IT infrastructures is well under way. Virtualization allows organizations to separate applications and data from dedicated hardware so that the server, storage, and networking infrastructure can be shared and used more efficiently. Our unified FAS architecture is well suited for virtualized environments because it provides integrated data protection along with increased efficiency and flexibility.

- **Cloud.** Cloud-based infrastructure has become a business priority. Clouds built on a NetApp® foundation have lower costs and provide operational efficiencies that allow IT to respond more rapidly. Our goal is to help organizations benefit from the efficiency and flexibility our products provide, whether they choose to deploy an on-premises (private) cloud solution or outsource to an external (public) cloud service provider. In order to meet customers needs for external cloud services, we have developed a global network of cloud service provider partners. Our solutions for service providers accelerate the development and delivery of cloud services such as Microsoft® Exchange as a Service, Microsoft® SharePoint as a Service, IT Infrastructure as a Service, Desktop as a Service, Storage as a Service, and Data Protection as a Service.

- **Business applications.** Our products and services are designed to meet the expansive requirements and demanding service levels of large enterprises and their mission-critical business applications. In addition, we bring our affordable, enterprise-proven technology to midsize enterprise businesses. We also design our products to satisfy the demands of high-performance computing and technical data center applications. To better meet the needs of our customers, we develop integrated solutions that optimize the performance of customers applications and their infrastructure in partnership with key industry leaders such as Cisco Systems, IBM, Microsoft, Oracle, SAP, and VMware. We partner with industry leaders to create best-in-class solutions and to deliver and support them worldwide. We provide expert services and global support to maximize the value customers derive from our products and to maintain their systems.

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**Big data.** We are now entering an era of big scale, in which the amount of data processed and stored by enterprises is stressing traditional storage architectures. Customers require storage products and solutions that are optimized for these workloads such as:

**Analytics.** This solution area focuses on providing efficient analytics for extremely large datasets and turning data into high-quality information to facilitate deeper insights about the business for better and quicker decision making.

**Bandwidth.** This solution area focuses on obtaining better performance for high-performance workloads.

**Content.** This solution area focuses on satisfying the need to store, find, and access almost unlimited amounts of data for an indefinite amount of time.

**NetApp Product Overview**

We offer two storage platforms, each engineered to serve different goals. Our unified FAS storage systems offer integrated protection and data management and built-in efficiency for virtualized, shared infrastructures and business applications. Our E-Series systems offer high-performance, reliable, scalable, and space-efficient storage  the optimal platform for big data workloads and value-added customization.

Both platforms reflect our commitment to the principles of simplicity, innovation, and a dedication to customer and partner success. Both platforms have a proven track record of reliability and performance, are highly cost efficient and provide flexibility for diverse workloads.

We believe that by providing greater efficiency and flexibility, our solutions help improve business productivity, performance, and profitability, while providing investment protection and enhanced asset utilization. Our enterprise-class storage solutions are complemented by our services expertise to maximize the business benefits that customers gain from deploying our storage products.

**FAS Storage Platform**

We offer highly available, scalable, and cost-effective storage solutions that incorporate our unified FAS platform and the feature-rich functionality of our Data ONTAP® data and storage resource management software.

***Data ONTAP Software***

Our FAS and V-Series storage solutions are based on Data ONTAP, a highly scalable and flexible operating system (OS) that concurrently supports any mix of storage area network (SAN) and network-attached storage (NAS) environments. Our unified storage software platform is compatible with UNIX®, Linux®, Windows®, and Web environments. It enables scalable storage that is always on and that provides superior operational efficiency to help manage data, application, and infrastructure growth.

The Data ONTAP OS provides the foundation to build a shared storage infrastructure and an enterprise-wide data fabric for the full breadth of business applications and data storage and protection requirements. Data ONTAP features scalability, secure multi-tenancy, and unification across protocols and disks. Data ONTAP also unifies storage efficiency, data management, and data protection. We believe customers can benefit from these capabilities as they increasingly virtualize their application environments. Our deduplication for primary and secondary storage, thin provisioning, and highly efficient hardware help maximize utilization while reducing data center footprint and lowering storage-related power and cooling consumption. A few of the technology features we offer with Data ONTAP include:

FlexShare® technology, which directs how storage system resources are used to deliver an appropriate level of service for each application;

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FlexCache® technology, which allows performance acceleration through the creation of read-only cached volumes on multiple storage controllers;

MultiStore® software, which allows partitioning of individual physical storage systems into multiple secure and separate logical partitions; and

RAID-DP®, a standard Data ONTAP feature that safeguards data from double disk failure. Integrated with our WAFL® (Write Anywhere File Layout) file system, RAID-DP gives customers data protection plus high performance.

***Storage Efficiency***

Our portfolio of efficiency technologies helps our customers reduce their storage spending and get more from the storage assets they already own. Some of the efficiency technologies we offer include:

FlexVol® technology, which provides for thin provisioning through virtual volumes, enabling storage architectures to be more efficient and achieve higher utilization using flexible volumes that do not require repartitioning of physical storage space;

FlexClone® technology, which enables true data cloning using logical copies that do not require additional physical storage space and allows for instant replication of data volumes and datasets; and

Deduplication technology, which provides the ability to eliminate duplicate data within primary and secondary disk storage environments, resulting in greater efficiency and higher utilization of storage capacity.

***Storage Management and Application Integration Software***

NetApp OnCommand management software improves storage and service efficiency through functions that help customers control, automate, and analyze their shared storage infrastructures. Our management software family of products provides a broad range of storage and data management tools to simplify IT administration and enhance flexibility and productivity. We deliver differentiated products that support industry open standards and interfaces to deliver this value to customers. We tightly integrate our software with database and business application software from partners such as Microsoft, Oracle, SAP, and VMware in order to optimize the performance of those applications on our storage systems.

Through data center automation tools, we give customers the ability to monitor service levels, manage performance, and support change management in complex enterprise SAN and NAS environments. We help customers optimize shared infrastructures by supporting individual application performance, service level, and security needs even while the storage is shared across multiple applications.

***FAS Unified Storage Systems Family***

Our family of modular, scalable, highly available, unified storage systems streamlines, simplifies, and consolidates the storage layer. The FAS6200, FAS3200, and FAS2000 series of fabric-attached storage systems are designed to consolidate all types of storage workloads, including primary and secondary data, as well as structured and unstructured data, across all key OS platforms and network infrastructures. Also, we unify storage access for all standard network protocols based on host bus adapter (HBA) technology and standard Internet Protocol (IP) networks. All our FAS systems are interoperable and provide common software services. We provide a data-in-place upgrade path that spans from entry-level platforms for smaller organizations all the way to high-end data center environments. Our FAS unified architecture supports both scale-up and scale-out growth strategies running the highly efficient Data ONTAP operating system.

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*Virtual Storage Tier*

Customers can increase the performance of our storage controller using our virtual storage tiering, which is available with our Flash Cache modular cache expansion. Virtual storage tiering lowers response times and increases input/output (I/O) operations of disk drives without storing additional data on them. Using dynamic storage tiering also improves application performance for production workloads residing on any type of disk drive. Deduplication capabilities reduce the I/O load on storage controllers to provide extreme scaling, especially useful with virtual and cloud-based working sets.

*V-Series Family*

Our V-Series family is a network-based virtualization solution that consolidates storage from different suppliers behind our data management interface, providing SAN and NAS access to the data stored in heterogeneous storage arrays. With the V-Series solution, customers are able to:

- Transform existing heterogeneous, multivendor storage systems into a single storage pool;
- Simplify storage provisioning and management with Data ONTAP thin provisioning; and
- Dramatically lower backup time, space, and cost with Data ONTAP Snapshot copies.

The V-Series family is compatible with the FAS family of storage systems.

*Data Protection Software Products*

The NetApp Integrated Data Protection portfolio offers a broad range of branded and partner-integrated solutions designed to increase the speed, simplicity, and efficiency of data protection operations in any environment from physical to shared IT to cloud. This portfolio includes:

- Snapshot technology, which enables near-instantaneous, space-efficient online backups of large datasets without affecting system performance;
- SnapRestore® technology, which uses stored Snapshot backups to recover entire file systems or data volumes in seconds, regardless of capacity or number of files;
- SnapVault® and Open Systems SnapVault technologies, which provide network- and storage-optimized data movement for disk-to-disk backup;
- MetroCluster, which uniquely combines array-based clustering with synchronous mirroring to deliver continuous availability and zero data loss;
- SnapMirror® data replication solution, which provides disaster recovery protection for business-critical data matched to the recovery point objectives and recovery time objectives of customer environments;
- NetApp SnapProtect®, which manages NetApp Snapshot copies, replication, and tape from a single console to enable high-speed, modern backup solutions that solve longstanding data protection challenges; and

NetApp integrated backup solutions, which bring the speed and efficiency of NetApp Snapshot and replication to customers using our alliance partners backup solutions. Symantec NetBackup , CommVault Simpana, and Syncsort data protection software can manage our data protection stack to accelerate operations without complicating management.

***Data Retention and Archive Products***

To meet growing regulatory compliance demands faced by most enterprises, we offer a broad suite of products to help enable data permanence, accessibility, and privacy to satisfy a variety of different regulations

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such as the Sarbanes-Oxley Act, FDA Title 21 CFR Part 11, SEC Rule 17a-4, and the Health Insurance Portability and Accountability Act (HIPAA). Cost-effective, resilient, and reliable storage architectures can be created utilizing NetApp SnapLock® products.

***Flash Cache***

NetApp Flash Cache modules optimize the performance of random read intensive workloads such as file services and messaging. These intelligent read caches speed access to user data, reducing latency by a factor of 10 or more compared to disk drives. Faster response times can translate into higher throughput for random I/O workloads. NetApp Flash Cache gives users performance that is comparable to that of solid state disks (SSDs) without the complexity of another storage tier.

***Storage Security Products***

Partnering with SafeNet, Inc. enables us to provide a unified platform for data security and key management across IP SAN, NAS, and tape backup environments. The platform combines wire-speed encryption, access controls, authentication, and automated key management to provide strong security for data at rest, while still allowing the capability to search compliant data for legal discovery purposes if the need arises. We also partner with Brocade Communications Systems, Inc. to provide advanced fabric services for SANs. These high-speed, highly reliable hardware devices deliver fabric-based encryption services to secure data assets either selectively or comprehensively.

***Big Content Solutions: StorageGRID***

NetApp StorageGRID® is a proven object storage software solution designed to manage petabyte-scale, globally distributed repositories of images, video, and records for enterprises and service providers. NetApp StorageGRID provides tremendous scalability by eliminating the typical constraints of data containers in blocks and files. It supports billions of files or objects and petabytes of capacity in hybrid cloud storage architectures with a single global namespace.

NetApp StorageGRID enables intelligent data management and secure content retention. Data placement and secure content retention are optimized by aligning system and business process management metadata with a global policy engine that manages how data is stored, placed, governed, protected, and retrieved. Content is protected from tampering using technologies such as digital fingerprints and encryption.

Other big content offerings include the NetApp Solution for Archive as a Service and NetApp StorageGRID Healthcare Solution.

**E-Series Storage Platform**

E-Series systems offer OEMs a high-performance, modular storage platform with flexible scalability, space-efficient density, and high reliability for their purpose-built solutions and value-added customizations. This combination makes E-Series systems ideal for high-performance environments that are characterized by massive amounts of critical data and computing demands that require enterprise-class scalability and reliability. Our server OEMs also take advantage of E-Series attributes to deliver entry storage systems to their diverse customers.

We also leverage the E-Series platform to simplify the deployment of a Hadoop big data infrastructure. We accelerate the time to value for a Hadoop infrastructure and enable customers to scale their deployments more practically and predictably. Working with an ecosystem of partners, we continue our commitment to industry standards and open sources, including the Apache distribution of Hadoop.

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We also leverage the E-Series platform in the development of big bandwidth solutions for full-motion video, seismic processing, medical content management, and high-performance Lustre solutions.

**NetApp Services**

Our customers demand high availability and reliability of their storage infrastructure to ensure the successful ongoing operation of their businesses. Our services are designed with this in mind. We provide professional services, global support solutions, and customer education and training to help customers most effectively manage their data. The professional services and support solutions we offer help our customers to resolve business problems, reduce costs, keep businesses up and running continuously, comply with regulations and policies, and improve overall operational results. We utilize a global, integrated model to provide consistent service delivery and global support during every phase of the customer engagement, including assessment and analysis, planning, design, installation, implementation, integration, optimization, ongoing support, and remote management and monitoring. Services and support often involve phased rollouts, technology transitions and migrations, and other long-term engagements.

**Sales, Principal Markets, and Distribution Channels**

We market and sell our products in numerous countries throughout the world, and we continue to make investments in our multiyear branding and awareness campaign to increase visibility of NetApp in the broader IT segment.

Our diversified customer base spans a number of customer segments and vertical markets, including energy, financial services, government, high technology, Internet, life sciences and healthcare services, major manufacturing, media, entertainment, animation and video postproduction, and telecommunications. We focus primarily on the data management and storage markets, offering an array of solutions from our high-end products designed for large enterprise customers to entry-level products designed for midsized enterprise customers.

To increase market share, we are focused on diversifying our multichannel distribution strategy. We are strengthening existing partnerships and investing in new partnerships with system integrators and cloud service providers.

As of the end of fiscal 2012, our worldwide sales and marketing function consisted of approximately 5,600 managers, sales representatives, and technical support personnel. We have field sales offices in more than 40 countries. We employ a multichannel distribution strategy, selling products and services to end users and service providers through a direct sales force and through channel partners, including value-added resellers, system integrators, OEMs, and distributors. During fiscal 2012, sales through our indirect channels represented 78% of our total net revenues. Sales to customers Arrow Electronics, Inc. and Avnet, Inc., which are distributors, accounted for 17% and 12% of our net revenues, respectively, in fiscal 2012; 18% and 12% of our net revenues, respectively, for fiscal 2011; and 14% and 11% of our net revenues, respectively, for fiscal 2010.

**Seasonality**

We have historically experienced a decline in revenues in the first quarter of our fiscal year, as the sales organization spends time developing new business after higher close rates in the fourth quarter, and because sales to European customers are historically weaker during the summer months. During the second quarter of our fiscal year, we have historically experienced increased sales, driven by the government sector, concurrent with the end of the U.S. federal government s fiscal year in September, as well as an increase in business from European markets. We derive a majority of our revenue in any given quarter from orders booked in the same quarter. Bookings and revenues typically follow intraquarter seasonality patterns weighted toward the back end of the quarter.

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**Backlog**

We manufacture products based on a combination of specific order requirements and forecasts of our customers demand. Orders are generally placed by customers on an as-needed basis. A substantial portion of our products is sold on the basis of standard purchase orders that are cancellable prior to shipment without penalty. In certain circumstances, purchase orders are subject to change with respect to quantity of product or timing of delivery resulting from changes in customer requirements. Our business is characterized by seasonal and intraquarter variability in demand, as well as short lead times and product delivery schedules. Accordingly, backlog at any given time might not be a meaningful indicator of future revenue.

**Manufacturing and Supply Chain**

We have outsourced manufacturing operations to third parties located in Memphis, Tennessee; Olive Branch, Mississippi; Livingston, Scotland; Schiphol Airport, The Netherlands; Szekesfehervar, Hungary; Shanghai and Longhua, China; Taoyuan City, Taiwan; Singapore; and Guadalajara, Mexico. These operations include materials procurement, commodity management, component engineering, test engineering, manufacturing engineering, product assembly, product assurance, quality control, final test, and global logistics. We rely on a limited number of suppliers for materials, as well as several key subcontractors for the production of certain subassemblies and finished systems. We use multiple vendors and have our products manufactured in a number of locations wherever possible to mitigate our supply chain risk. Our strategy has been to develop close relationships with our suppliers, exchanging critical information and implementing joint quality programs. We also use contract manufacturers for the production of major subassemblies to improve our manufacturing continuity of business. This manufacturing strategy minimizes capital investments and overhead expenditures while creating flexibility for rapid expansion.

We were awarded ISO 9001 certification on May 29, 1997, and continue to be ISO 9001 certified. We were awarded ISO 14001 certification on December 8, 2004, and continue to be ISO 14001 certified.

**Research and Development**

We conduct research and development activities in various locations throughout the world. In fiscal 2012, 2011, and 2010, research and development expenses represented 13%, 13%, and 14% of our net revenues, respectively. These costs relate primarily to personnel and related costs incurred to conduct product development activities. Although we develop many of our products internally, we may acquire technology through business combinations or through licensing from third parties when appropriate. We believe that technical leadership is essential to our success, and we expect to continue to commit substantial resources to research and development.

**Competition**

We compete with many companies in the markets we serve, including companies that offer a broad spectrum of IT products and services (full-stack vendors) and others that offer a more limited set of storage and data management products or services. In the primary storage market, our system products and associated software portfolio mainly compete with storage system products and data management software from Dell, EMC, Hitachi Data Systems, HP, IBM, and Oracle Corporation. We compete against these same companies in the secondary storage market, which includes the disk-to-disk backup, archival and compliance, and business continuity segments. In markets such as cloud, big data, and converged infrastructure, our primary competitors include EMC, Hitachi Data Systems, HP, and IBM. In the healthcare, financial services, life sciences, and service provider markets, we compete primarily with EMC, Hitachi Data Systems, HP, and IBM. Some of our competitors in the primary and secondary storage markets also offer their systems to OEM customers. In addition, we compete in the OEM market against products from DotHill and Xyratex.

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Most full-stack vendors that sell storage started as server companies. Their ability to monetize their storage investment is limited by their server market share because their primary sales strategy is to attach storage to their server sales. With such a cap on market opportunity, we expect that over time the server companies will have difficulty sustaining investment in storage and data management. However, most storage companies have multiple overlapping architectures. Many of our competitors have multiple products that serve similar needs, resulting in multiple code bases that have to replicate the same functionality, diluting product development and management, current product engineering, and support costs and slowing their ability to innovate.

We consider innovation and our technological partnerships to be our key differentiators. We are committed to being the best-in-class storage vendor and partnering with other industry leaders in delivering what we call the innovation stack. An innovation stack from best-in-class vendors gives customers the best applications and technologies available. To support our solutions for converged architectures, we offer a cooperative support model with our partners.

In the OEM market, we compete based on the total offering we provide our partners, which is focused on a commitment to their success. They choose us for our products, technology, training, and support through the sales and product lifecycles.

We believe the advantages of our products include functionality, scalability, performance, flexibility, quality, and operational efficiency. We believe our advantage also includes the nature of the relationships we form with our customers and partners worldwide. We strive to deliver an outstanding experience in every interaction we have with our customers and partners through our product, service, and support offerings, which enable us to provide our customers with a full range of expertise before, during, and after their purchase.

An increase in industry consolidation might result in stronger competitors that are better able to compete as sole-source vendors for customers. In addition, current and potential competitors have established or might establish cooperative relationships among themselves or with third parties, including some of our partners. It is possible that new competitors or alliances among competitors might emerge and rapidly acquire significant market share.

**Risk Factors**

An investment in the notes involves risk. You should carefully consider the information set forth in the section of this prospectus supplement entitled Risk Factors beginning on page S-15, as well as other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, before deciding whether to invest in the notes.

We are a Delaware corporation originally incorporated in 1992 as Network Appliance, Inc. On March 10, 2008, we changed our name to NetApp, Inc. Our executive offices are located at 495 East Java Drive, Sunnyvale, California 94089. Our telephone number is (408) 822-6000. Our website address is http://www.netapp.com. Information contained on our website or that can be accessed through our website is not incorporated by reference in this prospectus supplement or the accompanying prospectus and you should not consider such information to be part of this prospectus supplement or the accompanying prospectus.

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**The Offering**

*A brief description of the material terms of the offering follows. For a more complete description of the notes offered hereby, see Description of the Notes in this prospectus supplement and Description of Debt Securities in the accompanying prospectus.*

| | |
|---|---|
| Issuer | NetApp, Inc. |
| Securities Offered | $ aggregate principal amount of our % Senior Notes due 20 and $ aggregate principal amount of our % Senior Notes due 20 . |
| Maturity | The 20 notes will mature on , 20 . The 20 notes will mature on , 20 . |
| Interest Rate | The 20 notes will bear interest from , 2012 at the rate of % per annum. The 20 notes will bear interest from , 2012 at the rate of % per annum. |
| Interest Payment Dates | and of each year, beginning , 2013. |
| Ranking of Notes | The notes are unsecured and will rank equally in right of payment with all of our other existing and future senior unsecured indebtedness, including our 1.75% Convertible Senior Notes due June 2013, or the Convertible Notes. As of October 26, 2012, NetApp had $1,229.4 million principal balance of unsecured and unsubordinated indebtedness and $35.5 million of unamortized discount related to such indebtedness. |
| | The notes will effectively rank junior to all secured indebtedness of NetApp to the extent of the value of the assets securing such indebtedness, and to all liabilities of NetApp s subsidiaries. On an as-adjusted basis after giving effect to this offering of the notes, as of October 26, 2012, NetApp would have had $ of indebtedness, none of which was secured and none of which was subordinated. As of October 26, 2012, our subsidiaries had $478.0 million of outstanding liabilities, including trade payables but excluding intercompany liabilities and deferred revenue. |
| Sinking Fund | None. |
| Optional Redemption | We may redeem the 20 notes or the 20 notes, in each case, in whole or in part, at any time at redemption prices determined as set forth under the heading Description of Notes Optional Redemption. |
| Change of Control Repurchase Event | Upon the occurrence of a change of control repurchase event, as defined under Description of Notes Purchase of Notes upon a Change of Control Repurchase Event, we will be required to make an offer to purchase each of the 20 notes and the 20 notes, in each case, at a price equal to 101% of their principal amount, plus accrued and unpaid interest to, but not including, the date of repurchase. |

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| Certain Covenants | The indenture governing the notes contains covenants limiting our ability and our subsidiaries ability to:<br><br>create certain liens;<br><br>enter into certain sale and leaseback transactions; and<br><br>consolidate or merge with, or convey, transfer or lease all or substantially all our assets to, another person.<br><br>However, each of these covenants is subject to a number of significant exceptions. You should read Description of Notes Certain Covenants in the accompanying prospectus for a description of these covenants. Exceptions to these covenants will allow us and our subsidiaries to incur liens with respect to material assets owned by us. |
| Form and Denominations | We will issue the notes in fully registered form in denominations of $2,000 and integral multiples of $1,000 in excess thereof. The notes will be represented by one or more global securities registered in the name of a nominee of The Depository Trust Company, or DTC.<br><br>You will hold beneficial interests in the notes through DTC, and DTC and its direct and indirect participants will record your beneficial interest in their books. Except under limited circumstances, we will not issue certificated notes. |
| Further Issuances | We may create and issue further notes ranking equally with the notes (other than issue price and the payment of interest accruing prior to the issue date of such further notes or except, in some cases, for the first payment of interest following the issue date of such further notes). Such notes may be consolidated and form a single series with the notes. |
| Risk Factors | See Risk Factors beginning on page S-15 of this prospectus supplement and in the documents incorporated by reference herein for important information regarding us and an investment in the notes. |
| Use of Proceeds | We intend to use the net proceeds of this offering, after deducting underwriting discounts and offering expenses, for general corporate purposes, which may include repayment of certain indebtedness, capital expenditures, possible stock repurchases, working capital and potential acquisitions and strategic transactions. Although from time to time we evaluate potential strategic transactions and acquisitions of businesses, technologies or products, we currently do not have any agreements or understandings with respect to any such material strategic transactions or acquisitions. |
| Absence of Public Market for the Notes | The notes are a new issue of securities and there is currently no established trading market for the notes. We do not intend to apply for a listing of the notes on any securities exchange or an automated |

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| | dealer quotation system. Accordingly, there can be no assurance as to the development or liquidity of any market for the notes. The underwriters have advised us that they currently intend to make a market in the notes. However, they are not obligated to do so, and any market making with respect to the notes may be discontinued at any time without notice. See Underwriting in this prospectus supplement for more information about possible market-making by the underwriters. |
| Governing Law | State of New York. |
| Trustee | U.S. Bank National Association. |

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**Summary Consolidated Financial Data**

The following table presents our summary consolidated financial data. The summary consolidated statement of operations data for the fiscal years ended April 27, 2012, April 29, 2011 and April 30, 2010 and the summary consolidated balance sheet data as of April 27, 2012 and April 29, 2011 are derived from our audited consolidated financial statements incorporated by reference into this prospectus supplement. The summary consolidated statement of operations data for the years ended April 24, 2009 and April 25, 2008 and the summary consolidated balance sheet data as of April 30, 2010, April 24, 2009 and April 25, 2008 are derived from our audited consolidated financial statements, which are not incorporated by reference into this prospectus supplement. The summary consolidated statement of operations data for the six months ended October 26, 2012 and October 28, 2011 and the summary consolidated balance sheet data as of October 26, 2012 are derived from our unaudited condensed consolidated financial statements incorporated by reference into this prospectus supplement and, in the opinion of management, include all adjustments, consisting only of normal recurring adjustments, which are necessary to present fairly the results of operations and financial positions for those periods.

Our results for the six months ended October 26, 2012 are not necessarily indicative of the results to be expected for the full fiscal year. Historical results are not necessarily indicative of the results to be expected in the future.

The summary consolidated financial data should be read together with our consolidated financial statements and the related notes to those financial statements and the Management s Discussion and Analysis of Financial Condition and Results of Operations section included in our Annual Report on Form 10-K for the fiscal year ended April 27, 2012 and our Quarterly Reports on Form 10-Q for the quarterly periods ended July 27, 2012 and October 26, 2012, which have been filed with the SEC and are incorporated by reference into this prospectus supplement.

| | **Six Months Ended** | | **Fiscal Year Ended** | | | | |
|---|---|---|---|---|---|---|---|
| | **October 26, 2012** | **October 28, 2011** | **April 27, 2012** | **April 29, 2011** | **April 30, 2010** | **April 24, 2009** | **April 25, 2008** |
| | (in millions, except per share data) | | | | | | |
| **Consolidated Statement of Operations Data:** | | | | | | | |
| Net revenues(1) | $ 2,985.8 | $ 2,965.2 | $ 6,233.2 | $ 5,122.6 | $ 3,931.4 | $ 3,406.4 | $ 3,303.2 |
| Total cost of revenues | 1,221.8 | 1,155.3 | 2,519.8 | 1,793.9 | 1,412.2 | 1,416.5 | 1,289.8 |
| Gross profit | 1,764.0 | 1,809.9 | 3,713.4 | 3,328.7 | 2,519.2 | 1,989.9 | 2,013.4 |
| Total operating expenses | 1,548.5 | 1,441.3 | 2,966.9 | 2,504.4 | 2,030.8 | 1,942.7 | 1,699.8 |
| Income from Operations | 215.5 | 368.6 | 746.5 | 824.3 | 488.4 | 47.2 | 313.6 |
| Net Income(1) | $ 173.4 | $ 305.1 | $ 605.4 | $ 673.1 | $ 400.4 | $ 64.6 | $ 309.7 |
| Net income per share, basic | $ 0.48 | $ 0.83 | $ 1.66 | $ 1.87 | $ 1.18 | $ 0.20 | $ 0.88 |
| Net income per share, diluted | $ 0.47 | $ 0.78 | $ 1.58 | $ 1.71 | $ 1.13 | $ 0.19 | $ 0.86 |
| Shares used in basic net income per share calculation | 364.1 | 365.9 | 363.9 | 360.9 | 339.6 | 330.3 | 351.7 |
| Shares used in diluted net income per share calculation | 369.7 | 390.8 | 384.3 | 393.7 | 353.2 | 334.6 | 361.1 |

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(1) In fiscal 2011, we adopted new accounting standards related to revenue recognition. Net revenues and net income were higher by $129.2 million and $53.0 million, respectively, as a result of the adoption of these new standards. Net revenues for fiscal 2009 were negatively affected by a GSA settlement of $128.7 million.

| | As of October 26, 2012 | As of April 27, 2012 | As of April 29, 2011 | As of April 30, 2010 | As of April 24, 2009 | As of April 25, 2008 |
|---|---|---|---|---|---|---|
| | | | (in millions) | | | |
| **Consolidated Balance Sheet Data:** | | | | | | |
| Cash, cash equivalents and short-term investments | $ 5,571.0 | $ 5,398.5 | $ 5,174.7 | $ 3,724.0 | $ 2,604.3 | $ 1,164.4 |
| Working capital | $ 3,314.0 | $ 3,306.7 | $ 2,992.4 | $ 2,626.1 | $ 1,759.5 | $ 653.3 |
| Total assets | $ 9,533.9 | $ 9,532.3 | $ 8,498.8 | $ 6,494.4 | $ 5,384.4 | $ 4,071.0 |
| Short-term debt(2) | $ 1,229.4 | $ 1,202.3 | $ 1,150.4 | | | |
| Long-term debt and other | $ 216.3 | $ 206.9 | $ 192.9 | $ 1,273.4 | $ 1,219.3 | $ 318.7 |
| Stockholders equity(2) | $ 4,402.2 | $ 4,293.6 | $ 3,730.2 | $ 2,530.5 | $ 1,784.2 | $ 1,700.3 |

(2) Our common stock price exceeded the conversion threshold for the Convertible Notes for at least 20 trading days during the 30 consecutive trading days ended March 31, 2012 and 2011. Accordingly, as of April 27, 2012 and April 29, 2011, the Convertible Notes were convertible at the option of the holder and, therefore, the carrying value of the Convertible Notes was classified as short-term debt. Since the Convertible Notes were convertible at the option of the holder and the principal amount would have been required to be paid in cash, the difference between the principal amount and the carrying value of the Convertible Notes was reflected as convertible debt in mezzanine on our consolidated balance sheets as of April 27, 2012 and April 29, 2011.

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## RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges for each of the periods indicated. You should read this table in conjunction with our consolidated financial statements and notes in our Annual Report on Form 10-K for the fiscal year ended April 27, 2012 and our Quarterly Report on Form 10-Q for the fiscal quarter ended October 26, 2012, which are incorporated by reference in this prospectus supplement.

| | Six Months Ended | Fiscal Year Ended | | | | |
|---|---|---|---|---|---|---|
| | October 26, 2012 | April 27, 2012 | April 29, 2011 | April 30, 2010 | April 24, 2009 | April 25, 2008 |
| Ratio of earnings to fixed charges(1) | 5.0x | 7.8x | 9.0x | 5.8x | 1.1x | 17.7x |

(1) For purposes of computing the ratio of earnings to fixed charges, total earnings before fixed charges consist of income before income taxes plus fixed charges. Fixed charges consist of interest expense and that portion of rent expense that we believe to be representative of interest.

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## RISK FACTORS

*In considering whether to purchase the notes, you should carefully consider all the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. In addition, you should carefully consider the risk factors described below and incorporated by reference.*

### Risks Related to Our Business

We hereby incorporate by reference risk factors in Item 1A of our Quarterly Report on Form 10-Q for the fiscal quarter ended October 26, 2012.

### Risks Related to the Notes

**There is no prior market for the notes. If one develops, it may not be liquid.**

We do not intend to list the notes on any national securities exchange or to seek their quotation on any automated dealer quotation system. We cannot assure you that any liquid market for the notes will ever develop or be maintained. The underwriters have advised us that they currently intend to make a market in the notes following the offering. However, the underwriters have no obligation to make a market in the notes and they may cease market making activities at any time without notice. Further, there can be no assurance as to the liquidity of any market that may develop for the notes, your ability to sell your notes or the price at which you will be able to sell your notes. Future trading prices of the notes will depend on many factors, including prevailing interest rates, our financial condition and results of operations, the then-current ratings assigned to the notes and the market for similar securities. Any trading market that develops would be affected by many factors independent of and in addition to the foregoing, including the:

- time remaining to the maturity of the notes;
- outstanding amount of the notes;
- terms related to optional redemption of the notes; and
- level, direction and volatility of market interest rates generally.

**Ratings of the notes may change after issuance and affect the market price and marketability of the notes.**

In connection with this offering, we expect to receive credit ratings for the notes by the major credit rating agencies and we expect that these agencies will routinely evaluate our credit rating in the future. These ratings are limited in scope, and do not address all material risks relating to an investment in the notes, but rather reflect only the view of each rating agency at the time the rating is issued. An explanation of the significance of such rating may be obtained from such rating agency. There is no assurance that such credit ratings will be issued or remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies if, in each rating agency s judgment, circumstances so warrant. It is also possible that such ratings may be lowered in connection with future events, such as future acquisitions. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market price or marketability of the notes. In addition, any decline in the ratings of the notes may make it more difficult for us to raise capital on acceptable terms.

**We may be unable to generate the cash flow to service our debt obligations, including the notes.**

We may not be able to generate sufficient cash flow to enable us to service our indebtedness, including the notes, or to make anticipated capital expenditures. Our ability to pay our expenses and satisfy our debt obligations, refinance our debt obligations and fund planned capital expenditures will depend on our future performance, which will be affected by general economic, financial, competitive, legislative, regulatory and other

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factors beyond our control. Based upon current levels of operations, we believe cash flow from operations and available cash will be adequate for the foreseeable future to meet our anticipated requirements for working capital, capital expenditures and scheduled payments of principal and interest on our indebtedness, including the notes. However, if we are unable to generate sufficient cash flow from operations or to borrow sufficient funds in the future to service our debt, we may be required to sell assets, reduce capital expenditures, refinance all or a portion of our existing debt (including the notes) or obtain additional financing. We cannot assure you that we will be able to refinance our debt, sell assets or borrow more money on terms acceptable to us, if at all.

**We are permitted to incur more debt, which may intensify the risks associated with our current leverage, including the risk that we will be unable to service our debt.**

The indenture governing the notes does not limit the amount of additional debt that we may incur. In addition, we issued $1.265 billion in principal of our Convertible Notes in June 2008 and have various synthetic lease arrangements related to some of our facilities in Sunnyvale, California. If we incur additional debt, however, the risks associated with our leverage, including the risk that we will be unable to service our debt, will increase.

**Our financial condition and results of operations could be adversely affected if we do not effectively manage our indebtedness.**

We currently have outstanding $1.265 billion in aggregate principal amount of Convertible Notes, which pay cash interest at a rate of 1.75% per annum. Our long-term debt will increase by the principal amount of the notes sold in this offering, and these notes are expected to bear interest at rates higher than those in effect for the Convertible Notes. Consequently, the amount of our cash interest payments in future periods will increase as a result of this offering. From time to time in the future, we may also incur additional indebtedness. Our maintenance of substantial levels of debt could adversely affect our flexibility to take advantage of certain corporate opportunities and could adversely affect our financial condition and results of operations. In addition, the instruments governing the notes sold in this offering contain certain covenants applicable to us and our subsidiaries that may adversely affect our ability to incur certain liens or engage in certain types of sale and leaseback transactions. We cannot assure you that the indebtedness represented by the notes, in addition to our other indebtedness, will not adversely affect our operating results or financial condition.

**Because the notes are not secured and are effectively subordinated to the rights of secured creditors, the notes will be subject to the prior claims of any secured creditors, and if a default occurs, we may not have sufficient funds to fulfill our obligations under the notes.**

The notes are unsecured obligations, ranking equally with other senior unsecured indebtedness, including the Convertible Notes. Although we do not currently have any secured indebtedness, the indenture governing the notes permits us to incur secured debt under specified circumstances. If we incur secured debt, our assets will be subject to prior claims by our secured creditors. In the event of bankruptcy, insolvency, liquidation, reorganization, dissolution or other winding up of NetApp, assets that secure debt will be available to pay obligations on the notes only after all debt secured by those assets has been repaid in full. Holders of the notes will participate in any remaining assets ratably with all of the unsecured and unsubordinated creditors, including trade creditors. The holders of any additional obligations that rank equally with the notes, including trade payables, will be entitled to share ratably with the holders of the notes and the Convertible Notes in any proceeds distributed upon our bankruptcy, insolvency, liquidation, reorganization, dissolution or other winding up. This may have the effect of reducing the amount of proceeds paid to you. If there are not sufficient assets remaining to pay all these creditors, all or a portion of the notes then outstanding would remain unpaid.

**The notes are structurally subordinated to the indebtedness of our subsidiaries.**

The notes are our obligations exclusively and not of any of our subsidiaries. Our subsidiaries are separate legal entities that have no obligation to pay any amounts due under the notes or to make any funds available therefor, whether by dividends, loans or other payments. Except to the extent we are a creditor with recognized claims against our subsidiaries, all claims of creditors (including trade creditors) and holders of preferred stock, if any, of our subsidiaries will have priority with respect to the assets of such subsidiaries over our claims (and therefore the claims of our creditors, including holders of the notes). Consequently, the notes will be effectively subordinated to all liabilities of any of our subsidiaries and any subsidiaries that we may in the future acquire or establish.

**The notes contain restrictive covenants that may adversely affect our ability to operate our business.**

The indenture that will govern the notes contains various covenants that limit our ability and the ability of our subsidiaries to, among other things:

- incur liens;
- enter into certain sale and leaseback transactions; and
- consolidate or merge with or into, or sell substantially all of our assets to, another person.

As a result of these covenants and covenants contained in our synthetic leases, we will be limited in the manner in which we can conduct our business, and we may be unable to engage in favorable business activities or finance future operations or capital needs. Accordingly, these restrictions may limit our ability to successfully operate our business. A failure to comply with these restrictions could lead to an event of default, which could result in an acceleration of our indebtedness. In the event of an acceleration, we may not have or be able to obtain sufficient funds to make any accelerated payments, including those under the notes. See Description of Notes Certain Covenants.

**The negative covenants in the indenture that governs the notes may have a limited effect.**

The indenture governing the notes contains covenants limiting our ability and certain of our subsidiaries ability to create certain liens, enter into certain sale and leaseback transactions, and consolidate or merge with, or convey, transfer or lease all or substantially all our assets to, another person. The limitation on liens and limitation on sale and leaseback covenants contain exceptions that will allow us and our subsidiaries to incur liens with respect to material assets. See Description of Debt Securities Certain Terms of the Debt Securities Certain Covenants in the accompanying prospectus. In light of these exceptions, holders of the notes may be structurally or contractually subordinated to new lenders.

**We may not be able to repurchase all of the notes upon a change of control repurchase event.**

As described under Description of Notes Purchase of Notes upon a Change of Control Repurchase Event, we will be required to offer to repurchase the notes upon the occurrence of a change of control repurchase event. We may not have sufficient funds to repurchase the notes in cash at such time or have the ability to arrange necessary financing on acceptable terms. In addition, our ability to repurchase the notes for cash may be limited by law or the terms of other agreements relating to our indebtedness outstanding at the time.

**The provisions in the indenture that governs the notes relating to change of control transactions will not necessarily protect you in the event of a highly leveraged transaction.**

The provisions in the indenture will not necessarily afford you protection in the event of a highly leveraged transaction that may adversely affect you, including a reorganization, restructuring, merger or other similar transaction involving us. These transactions may not involve a change in voting power or beneficial ownership

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or, even if they do, may not involve a change of the magnitude required under the definition of change of control repurchase event in the indenture to trigger these provisions, notably, that the transactions are accompanied or followed within 60 days by a downgrade in the rating of the notes, following which the notes are no longer rated investment grade . Except as described under Description of Notes Purchase of Notes upon a Change of Control Repurchase Event, the indenture does not contain provisions that permit the holders of the notes to require us to repurchase the notes in the event of a takeover, recapitalization or similar transaction.

**You may not be able to determine when a change of control repurchase event has occurred.**

The definition of change of control, which is a condition precedent to a change of control repurchase event, includes a phrase relating to the sale, lease, transfer, conveyance or other disposition of all or substantially all of our assets. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, your ability to require us to repurchase your notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of our assets and the assets of our subsidiaries taken as a whole to another person may be uncertain.

**Redemption may adversely affect your return on the notes.**

We have the right to redeem some or all of the notes prior to maturity. We may redeem the notes at times when prevailing interest rates may be relatively low. Accordingly, you may not be able to reinvest the amount received by you upon such redemption in a comparable security at an effective interest rate as high as that of the notes.

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## USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately $ from the offering, after deducting the underwriters discount and commissions and estimated offering expenses. We intend to use such net proceeds for general corporate purposes, which may include repayment of certain indebtedness, capital expenditures, possible stock repurchases, working capital and potential acquisitions and strategic transactions. Although from time to time we evaluate potential strategic transactions and acquisitions of businesses, technologies or products, we currently do not have any agreements or understandings with respect to any such material strategic transactions or acquisitions.

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## CAPITALIZATION

The following table sets forth our unaudited consolidated cash, cash equivalents and short-term investments, short-term debt and capitalization as of October 26, 2012:

on an actual basis; and

on an as adjusted basis, after giving effect to this offering.

You should read the table in conjunction with our financial statements and the notes to those financial statements that are incorporated by reference into this prospectus supplement.

| | As of October 26, 2012 | |
|---|---|---|
| | Actual | As Adjusted |
| | (in millions, except share data) | |
| Cash, cash equivalents and short-term investments | $ 5,571.0 | $ |
| Short-term debt: | | |
| 1.75% convertible senior notes due 2013[1] | 1,229.4 | |
| Current portion of long-term financing arrangements | 7.1 | |
| Total short-term debt | 1,236.5 | |
| Long-term debt: | | |
| % Senior notes due 20 offered hereby | | |
| % Senior notes due 20 offered hereby | | |
| Other long-term financing arrangements | 10.2 | |
| Total long-term debt | 10.2 | |
| Stockholders equity: | | |
| Common stock, $0.001 par value | 0.5 | |
| Additional paid-in capital | 4,585.9 | |
| Treasury stock at cost | (2,927.4) | |
| Retained earnings | 2,735.0 | |
| Accumulated other comprehensive income | 8.2 | |
| Total stockholders equity | 4,402.2 | |
| Total capitalization | $ 5,648.9 | $ |

[1] Represents $1,264.9 of principal balance, net of unamortized discount of $35.5.