

NetApp to Acquire Onaro

Sunnyvale, Calif. - January 3, 2008 -- NetApp (NASDAQ:NTAP) today announced a definitive merger agreement to acquire Onaro, a privately owned company headquartered in Boston, Mass. Onaro's software, deployed in 32% of Fortune 50 companies, allows enterprises to manage storage with the highest possible data availability at a fraction of normal operational costs. The combination of NetApp and Onaro will help enterprise organizations increase data center and storage network efficiencies by proactively managing and optimizing storage service levels for availability and performance in dynamic data center environments. The predictive nature of Onaro products also makes them ideally suited for modeling and forecasting data center and service-level changes—capabilities that customers sorely need as they upgrade, rethink, and deploy their next-generation data centers.

For NetApp, this deal signals a continued strengthening of the company's storage and data management software portfolio. NetApp has rapidly expanded its storage management offerings over the last few years and the addition of Onaro to the mix should be compelling to customers who want one expert to help them with their storage architecture challenges.

For existing NetApp customers, the acquisition of Onaro enables powerful new storage service management and change management capabilities. For Onaro customers, the acquisition brings to Onaro products a significant R&D engine and financial strength to significantly advance product development over the coming years. For new customers, the NetApp and Onaro solution offers the opportunity to effectively deploy and manage service-level large-scale storage networks using cost-effective and highly scalable modular systems. They no longer will need to rely on monolithic legacy systems that are expensive and cumbersome in today's era of rapid data center evolution.

"I am very excited about the breakthroughs we can achieve for our customers with the addition of Onaro to our manageability portfolio," said Tom Georgens, executive vice president, Product Operations at NetApp. "This deal is not just a first for the industry, but also a new opportunity for customers to rethink their large-scale storage infrastructures—and gain extra confidence in the strength of modular systems to manage the biggest data challenges out there."

Onaro extends NetApp vision and strategy for integrated data management in the data center, whether using NetApp® or other than NetApp storage systems, and complements traditional SRM products. As storage networks continue to grow, IT managers face an increasingly complex challenge to document change, assess compliance to best practices, and diagnose root cause in real time. Onaro's products rise to meet that challenge. An application-centric view of performance, availability, and change management results in better levels of service for each application on a storage network, making consolidation and migration projects easier to plan for and manage.

"Eighty percent of all IT operational issues such as application outages, performance problems, and downtime result from unwitting change. Customers tell us they are being asked to commit to almost impossible levels of service to avoid these problems, which drain precious resources," continued Georgens. "They are looking to us for a solution to obtain a better view and gain more control over their storage systems, not just as physical devices but as a set of services. With the addition of Onaro, our ability to provide the underlying modular storage architecture as well as policy-based storage management software will help enterprises commit to escalating service levels required by their business in the near term and to proactively continue to navigate changes in their data centers."

"We are excited and look forward to joining the outstanding team at NetApp," said Doug McNary, president and CEO at Onaro, Inc. "NetApp global channels and its powerful brand will accelerate Onaro's ability to address the growing worldwide demand for our products. Our technologies and strategies are very complementary and will enable the combined companies to offer customers comprehensive storage management solutions for the data center."

The NetApp and Onaro combination also strengthens the NetApp SAN (storage area network) portfolio with robust SAN service-level management. It likewise complements the company's solutions for virtualization and VMware, both of which are driving massive data center changes that require the modeling and predictive capabilities inherent in Onaro products. Onaro will complement other NetApp offerings for heterogeneous data management, which include:

- NearStore® VTL systems for heterogeneous data center backup
- V-Series systems for multi-vendor virtualization
- VFM® (Virtual File Manager™) software for managing distributed data
- ReplicatorX™ software for data replication and recovery
- NetApp Decru DataFort® appliances for enterprise-class storage encryption

The acquisition is expected to close in the first quarter of calendar year 2008, subject to customary closing conditions.

About Onaro, Inc.

Onaro is the leader in storage service management (SSM), enabling enterprises to increase service quality, return on storage, and compliance by managing storage as a service. Unlike traditional SRM applications which are device centric, Onaro provides a clear service view into a SAN's access paths, redundancy, replication, and performance. SANscreen is being used by the world's largest companies in banking, retail, entertainment, data communications, and wireless telecom. A partial customer list includes AOL, CareGroup Healthcare System, JetBlue Airways, State Street Global Advisors, and Wyeth Pharmaceuticals. For more information, please visit www.onaro.com.

About NetApp

NetApp is a leading provider of innovative data management solutions that simplify the complexity of storing, managing, protecting, and retaining enterprise data. Market leaders around the world choose NetApp to help them reduce cost, minimize risk, and adapt to change. For solutions that deliver unmatched simplicity and value, visit us on the Web 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 the anticipated benefits to be obtained from the Company's acquisition of Onaro, including Onaro's product capabilities and compatibility and the expected timing of the completion of the acquisition. These forward-looking statements involve risks and uncertainties, and actual results could vary. Factors that could impact our ability to achieve our goals include our ability to successfully integrate Onaro operations and products with the future success of both companies' product lines; general economic and industry conditions, including expenditure trends for storage-related products; our ability to deliver new product architectures and products that meet market acceptance; our ability to design products that compete effectively from a price and performance perspective; and other important factors as described in NetApp reports and documents filed from time to time with the Securities and Exchange Commission, including our most recently submitted 10-K and 10-Q.

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