

NETGEAR INC  
Form 4  
May 25, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**LIU ALBERT**

(Last) (First) (Middle)  
**NETGEAR, INC., 4500 GREAT AMERICA PARKWAY**  
  
(Street)

**SANTA CLARA, CA 95054**

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
**NETGEAR INC [NTGR]**

3. Date of Earliest Transaction (Month/Day/Year)  
**05/23/2006**

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
VP, Legal and Corp. Dev.

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

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D) Price			
Common Stock					1,142	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

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

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 19.55					<u>(1)</u>	12/13/2010	Common Stock	3,000
Employee Stock Option (Right to Buy)	\$ 13.66					<u>(2)</u>	10/22/2014	Common Stock	50,000
Employee Stock Option (Right to Buy)	\$ 22.68	05/23/2006		A	15,000	<u>(3)</u>	05/23/2016	Common Stock	15,000
Restricted Stock Units	<u>(4)</u>	05/23/2006		A	4,000	<u>(5)</u>	<u>(6)</u>	Common Stock	4,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LIU ALBERT NETGEAR, INC. 4500 GREAT AMERICA PARKWAY SANTA CLARA, CA 95054			VP, Legal and Corp. Dev.	

## Signatures

/s/ Albert Y. Liu                      05/23/2006

\*\*Signature of                      Date  
Reporting Person

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
  - 100% of this option is exercisable as of 12/13/05, the vesting start date. Shares underlying the option are restricted from transfer, with the restriction lapsing with respect to 25% of the shares on each subsequent anniversary of the vesting start date, so that all underlying shares will be free from transfer restrictions on 12/13/09.
  - (1) restriction lapsing with respect to 25% of the shares on each subsequent anniversary of the vesting start date, so that all underlying shares will be free from transfer restrictions on 12/13/09.
  - (2) The option becomes exercisable as to 1/4 of the shares on the first anniversary of the vesting start date of 10/18/04, and 1/48th of the shares become exercisable each month thereafter.
  - (3) The option becomes exercisable as to 1/4 of the shares on the first anniversary of the vesting start date of 5/23/06, and 1/48th of the shares become exercisable each month thereafter.
  - (4) Converts to common stock on a one-for-one basis.
  - (5) Stock units will be paid in an equal number of shares of the Issuer's common stock upon vesting of the units. 25% of the units will cliff vest on each anniversary of 5/23/06, the vest start date, so that all of the units will have vested on 5/23/10.
  - (6) Not applicable.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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