

SUN MICROSYSTEMS, INC.
 Form 3
 September 15, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 * | | 2. Date of Event Requiring Statement | 3. Issuer Name and Ticker or Trading Symbol | |
| Â Gadre Anil P | | (Month/Day/Year) | SUN MICROSYSTEMS, INC. [SUNW] | |
| (Last) | (First) | (Middle) | 09/05/2006 | |
| 4150 NETWORK CIRCLE | | | 4. Relationship of Reporting Person(s) to Issuer | 5. If Amendment, Date Original Filed(Month/Day/Year) |
| (Street) | | | (Check all applicable) | |
| SANTA CLARA,Â CAÂ 95054 | | | <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner | 6. Individual or Joint/Group Filing(Check Applicable Line) |
| (City) | (State) | (Zip) | <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other | <input checked="" type="checkbox"/> Form filed by One Reporting Person |
| | | | (give title below) (specify below) | <input type="checkbox"/> Form filed by More than One Reporting Person |
| | | | EVP & Chief Marketing Officer | |

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---------------------------------|---|--|---|
| Common Stock | 277,964 ⁽¹⁾ | D | Â |

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

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security: Direct (D) or Indirect | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|--|--|---|--|--|---|
| | Date Exercisable | Expiration Date | Title | Amount or Number of | |

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| | | | | Shares | | (I) (Instr. 5) | |
|---|---------------------------|------------|-----------------|--------|------------|-------------------|---|
| Employee Stock Option (Right to Buy) <u>(2)</u> | 06/19/2000 ⁽³⁾ | 06/16/2007 | Common Stock | 80,000 | \$ 14.6094 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 08/11/2000 ⁽³⁾ | 08/11/2007 | Common Stock | 60,000 | \$ 17 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 11/10/2000 ⁽³⁾ | 11/10/2007 | Common Stock | 20,000 | \$ 28.0782 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 04/12/2001 ⁽³⁾ | 04/12/2008 | Common Stock | 40,000 | \$ 40 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 04/18/2002 ⁽³⁾ | 04/18/2009 | Common Stock | 25,000 | \$ 18.58 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 06/13/2002 ⁽³⁾ | 06/13/2009 | Common Stock | 10,000 | \$ 16.25 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 09/27/2002 ⁽³⁾ | 09/27/2009 | Common Stock | 22,500 | \$ 7.91 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 11/07/2002 ⁽³⁾ | 11/07/2009 | Common Stock | 30,000 | \$ 12.59 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 11/07/2002 ⁽³⁾ | 11/07/2009 | Common Stock | 30,000 | \$ 12.59 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 03/19/2003 ⁽³⁾ | 03/19/2010 | Common Stock | 200 | \$ 9.14 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 03/19/2003 ⁽³⁾ | 03/19/2010 | Common Stock | 22,500 | \$ 9.14 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 05/14/2003 ⁽³⁾ | 05/14/2010 | Common Stock | 19,600 | \$ 7.07 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 07/25/2003 ⁽⁴⁾ | 07/25/2010 | Common Stock | 60,000 | \$ 3.7 | D | Â |
| Employee Stock Option (Right to Buy) <u>(2)</u> | 05/21/2004 ⁽⁵⁾ | 05/21/2011 | Common Stock | 35,000 | \$ 4.2 | D | Â |

| | | | | | | | |
|--|---------------------------|------------|-----------------|---------|----------|---|---|
| Employee Stock Option (Right to Buy) (2) | 11/13/2004 ⁽⁶⁾ | 11/13/2011 | Common Stock | 100,000 | \$ 4.208 | D | Â |
| Employee Stock Option (Right to Buy) (2) | 07/29/2005 ⁽⁷⁾ | 07/29/2012 | Common Stock | 300,000 | \$ 3.79 | D | Â |
| Employee Stock Option (Right to Buy) (2) | 07/28/2006 ⁽⁸⁾ | 07/28/2013 | Common Stock | 300,000 | \$ 3.85 | D | Â |
| Employee Stock Option (Right to Buy) (2) | 07/27/2007 ⁽⁹⁾ | 07/27/2014 | Common Stock | 400,000 | \$ 4.26 | D | Â |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Gadre Anil P 4150 NETWORK CIRCLE SANTA CLARA, CA 95054 | Â | Â | Â EVP & Chief Marketing Officer | Â |

Signatures

/s/ Anil P. Gadre 09/15/2006
 **Signature of Date
 Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(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).
- (1) This includes 78,750 shares of unvested restricted stock.
- (2) This option was granted under the Sun Microsystems, Inc. 1990 Long-Term Equity Incentive Plan.
- (3) Immediately.
- (4) This option vests and becomes exercisable in five equal annual installments of 12,000 shares beginning on July 25, 2003.
- (5) This option vests and becomes exercisable in five equal annual installments of 7,000 shares beginning on May 21, 2004.
- (6) This option vests and becomes exercisable in five equal annual installments of 20,000 shares beginning on November 13, 2004.
- (7) This option vests and becomes exercisable in five equal annual installments of 60,000 shares beginning on July 29, 2005.
- (8) This option vests and becomes exercisable in five equal annual installments of 60,000 shares beginning on July 28, 2006.
- (9) This option vests and becomes exercisable in five equal annual installments of 80,000 shares beginning on July 27, 2007.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.