
NEWS RELEASE

SanDisk

SanDisk Corporation
951 SanDisk Drive
Milpitas, CA 95035-7932
Phone: 408-801-1000

SANDISK ANNOUNCES FIRST QUARTER RESULTS

Delivers record first quarter revenue

MILPITAS, Calif., April 17, 2013 - [SanDisk](#) Corporation (NASDAQ: [SNDK](#)), a global leader in flash memory storage solutions, announced today results for the first quarter ended March 31, 2013. First quarter revenue of \$1.34 billion increased 11 percent on a year-over-year basis and decreased 13 percent on a sequential basis.

On a GAAP⁽¹⁾ basis, first quarter net income was \$166 million, or \$0.68 per diluted share, compared to net income of \$114 million, or \$0.46 per diluted share, in the first quarter of fiscal 2012 and \$214 million, or \$0.87 per diluted share, in the fourth quarter of fiscal 2012.

On a non-GAAP⁽²⁾ basis, first quarter net income was \$207 million, or \$0.84 per diluted share, compared to net income of \$156 million, or \$0.63 per diluted share, in the first quarter of fiscal 2012 and net income of \$257 million, or \$1.05 per diluted share, in the fourth quarter of fiscal 2012. For reconciliation of non-GAAP to GAAP results, see accompanying financial tables and footnotes.

“Our SSD products drove 20 percent of sales and we delivered a record first quarter retail revenue,” said Sanjay Mehrotra, president and chief executive officer of SanDisk. “Our strong results reflect an improved product mix and continued favorable industry supply and demand conditions. We believe our position in enterprise and client SSD markets, differentiated retail brand and continued focus on profitable growth provide us with solid momentum for continued gains in 2013.”

FIRST QUARTER 2013 KEY FINANCIAL METRICS

Metric <i>in millions, except percentages and per share amounts</i>	GAAP			Non-GAAP		
	Q113	Q112	Q412	Q113	Q112	Q412
Revenue	\$1,341	\$1,206	\$1,542	\$1,341	\$1,206	\$1,542
Gross Profit <i>percent of revenue</i>	\$532 39.6%	\$417 34.5%	\$603 39.1%	\$543 40.5%	\$432 35.8%	\$615 39.9%
Operating Income <i>percent of revenue</i>	\$254 18.9%	\$192 15.9%	\$336 21.8%	\$288 21.5%	\$227 18.8%	\$368 23.9%
Diluted EPS	\$0.68	\$0.46	\$0.87	\$0.84	\$0.63	\$1.05

At the end of the first quarter of fiscal 2013, SanDisk's cash and short and long-term marketable investments totaled \$6.19 billion. Cash flow from operations in the first quarter of fiscal 2013 totaled \$474 million.

CONFERENCE CALL

SanDisk's first quarter of fiscal 2013 conference call is scheduled for 2:00 P.M., Pacific Time, Wednesday, April 17, 2013. The conference call will be webcast and can be accessed live, and throughout the quarter, at SanDisk's website at www.sandisk.com/IR. To participate in the call via telephone, the dial-in number is 719-325-2348 and the dial-in password is 5944048. A copy of this press release will be furnished to the Securities and Exchange Commission on a current report on Form 8-K and will be posted to our website prior to the conference call.

ABOUT SANDISK

SanDisk Corporation (NASDAQ: SNDK) is a global leader in flash memory storage solutions, from research and development, product design and manufacturing to branding and distribution for commercial and retail channels. Since 1988, SanDisk's innovations in flash memory and storage system technologies have provided customers with new and transformational digital experiences. SanDisk's diverse product portfolio includes flash memory cards and embedded solutions used in smart phones, tablets, digital cameras, camcorders, digital media players and other consumer electronic devices, as well as USB flash drives and solid-state drives (SSD) for the computing market. SanDisk's products are used by consumers and enterprise customers around the world.

SanDisk is a Silicon Valley-based S&P 500 and Fortune 500 company, with more than half its sales outside the United States. For more information, visit www.sandisk.com.

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This press release contains certain forward-looking statements, including statements about our business prospects, our position in the SSD markets, our differentiated retail brand position and our intended financial plans, including our continued focus on profitable growth and our anticipated momentum for continued gains in 2013, that are based on our current expectations and subject to numerous risks and uncertainties that may cause these forward-looking statements to be inaccurate and significantly harm our business, financial condition and results of operations. We undertake no obligation to update the information contained in this press release. Risks that may cause these forward-looking statements to be inaccurate include among others:

- competitive pricing pressures, resulting in lower average selling prices and lower or negative product gross margins;
- inability to reduce our manufacturing costs to keep pace with reductions in average selling prices;
- potential delays in product development or lack of customer acceptance of our solutions, particularly OEM products such as our embedded flash storage solutions, and client and enterprise SSD solutions;
- inability to continue to penetrate the client and enterprise SSD markets, or the failure of existing markets for flash memory to grow;
- inability to enhance current products or develop new products on a timely basis or in advance of our competitors;
- excess inventory or lost sales resulting from unpredictable or changing demand for our products;
- excess, insufficient or mismatched captive memory output or capacity, which could result in lower average selling-prices, financial charges and impairments, lost sales and market growth opportunities, lower gross margins or other consequences; and
- the other risks detailed from time-to-time under the caption "Risk Factors" and elsewhere in our Securities and Exchange Commission filings and reports, including, but not limited to, our Annual Report on Form 10-K for the fiscal year ended December 30, 2012.

⁽¹⁾ GAAP represents U.S. Generally Accepted Accounting Principles.

⁽²⁾ Non-GAAP represents GAAP excluding the impact of share-based compensation expense, amortization and write-off of acquisition-related intangible assets, non-cash economic interest expense associated with our convertible debt and related tax adjustments.

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Investor Contacts:

Jay Iyer

408-801-2067

jay.iyer@sandisk.com

Brendan Lahiff

408-801-1732

brendan.lahiff@sandisk.com

Media Contact:

Lee Garvin Flanagan

408-801-2463

lee.flanagan@sandisk.com

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