

SanDisk Corporation
Summary of Q2'14 and FY2014 Forward Non-GAAP and GAAP Guidance
Provided on April 16, 2014 Earnings Call ⁽¹⁾
With Non-GAAP to GAAP Reconciliation
(in millions, except for percentages)

	Q2'14		Fiscal Year 2014	
	Non-GAAP	GAAP	Non-GAAP	GAAP
Revenue	\$1,550 - \$1,625	\$1,550 - \$1,625	\$6,400 - \$6,800	\$6,400 - \$6,800
Gross Margin ⁽²⁾	47% - 49%	45% - 47%	47% - 49%	45% - 47%
Operating Expenses ⁽³⁾	\$315 - \$325	\$350 - \$360	\$1,250 - \$1,275	\$1,390 - \$1,415
Operating Margin ⁽²⁾⁽³⁾			27% - 31%	23% - 27%
Other Income(Expense) ⁽⁴⁾	\$5	(\$16)	\$20	(\$65)
Tax Rate ⁽⁵⁾			31.5%	34.4%

⁽¹⁾ The information herein is qualified by, and subject to, the disclaimer regarding forward-looking language statements that is included on our Investor Relations web page at www.sandisk.com/ir. This guidance is exclusive of one-time transactions and does not reflect the effect of any acquisitions, divestitures or other transactions that may be completed after April 16, 2014.

Non-GAAP excludes the following items:

- ⁽²⁾ Estimate of share-based compensation and amortization of acquisition-related intangible assets to be included in total cost of revenue.
- ⁽³⁾ Estimate of share-based compensation and amortization of acquisition-related intangible assets to be included in operating expenses.
- ⁽⁴⁾ Incremental interest expense relating to the non-cash economic interest expense associated with the 1.5% Sr. Convertible Notes due 2017 and 0.5% Sr. Convertible Notes due 2020.
- ⁽⁵⁾ Income taxes associated with certain non-GAAP to GAAP adjustments, and the effects of one-time income tax adjustments recorded in a specific quarter for GAAP purpose are reflected on a forecast basis in our non-GAAP tax rate.