
NEWS RELEASE

SanDisk®

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SANDISK ANNOUNCES FIRST QUARTER 2014 RESULTS

Delivers Record First Quarter Revenue, Gross Margin and Net Income

MILPITAS, Calif., Apr. 16, 2014 - [SanDisk](#) Corporation (NASDAQ: [SNDK](#)), a global leader in flash storage solutions, today announced results for the first quarter ended March 30, 2014. First quarter revenue of \$1.51 billion increased 13 percent on a year-over-year basis and decreased 12 percent sequentially.

On a GAAP⁽¹⁾ basis, first quarter net income was \$269 million, or \$1.14 per diluted share, compared to net income of \$166 million, or \$0.68 per diluted share, in the first quarter of fiscal 2013 and \$338 million, or \$1.45 per diluted share, in the fourth quarter of fiscal 2013.

On a non-GAAP⁽²⁾⁽³⁾ basis, first quarter net income was \$330 million, or \$1.44 per diluted share, compared to net income of \$207 million, or \$0.84 per diluted share, in the first quarter of fiscal 2013 and net income of \$390 million, or \$1.71 per diluted share, in the fourth quarter of fiscal 2013. For reconciliation of non-GAAP to GAAP results, see accompanying financial tables and footnotes.

“We delivered record first quarter results, driven by 61 percent growth in our SSD revenue and strong retail performance,” said Sanjay Mehrotra, president and chief executive officer of SanDisk. “We are excited by the momentum we are building in our business as we continue to execute on our growth initiatives.”

KEY FINANCIAL METRICS

Metric <i>in millions, except percentages and per share amounts</i>	GAAP ⁽¹⁾			Non-GAAP ⁽²⁾		
	Q1'14	Q1'13	Q4'13	Q1'14	Q1'13	Q4'13
Revenue	\$1,512	\$1,341	\$1,728	\$1,512	\$1,341	\$1,728
Gross Profit <i>percent of revenue</i>	\$751 49.7%	\$532 39.6%	\$857 49.6%	\$774 51.2%	\$543 40.5%	\$880 50.9%
Operating Income <i>percent of revenue</i>	\$425 28.1%	\$254 18.9%	\$507 29.4%	\$476 31.5%	\$288 21.5%	\$556 32.2%
Diluted EPS ⁽³⁾	\$1.14	\$0.68	\$1.45	\$1.44	\$0.84	\$1.71

OTHER HIGHLIGHTS

- SanDisk announced today its second quarter 2014 dividend of \$0.225 per share of common stock, payable on May 27, 2014 to shareholders of record as of the close of business on May 5, 2014.
- SanDisk recently introduced innovative products in three categories:
 - CloudSpeed Extreme™, CloudSpeed Ultra™, CloudSpeed Ascend™ and CloudSpeed Eco™ enterprise SATA SSDs for data center and cloud computing storage solutions at unit capacities ranging from 100 gigabytes to 960 gigabytes
 - High performance iNAND Extreme™ embedded flash storage at capacities up to 64 gigabytes for flagship Android based mobile devices
 - 128 gigabyte SanDisk Ultra® microSDXC™ UHS-1 card, the world's highest capacity mobile offering

CONFERENCE CALL

SanDisk's first quarter of fiscal 2014 conference call is scheduled for 2:00 P.M., Pacific Daylight Time, Wednesday, April 16, 2014. 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 719-325-4942 and the dial-in password is 5310508. 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), a Fortune 500 and S&P 500 company, is a global leader in flash storage solutions. For more than 25 years, SanDisk has expanded the possibilities of storage, providing trusted and innovative products that have transformed the electronics industry. Today, SanDisk's quality, state-of-the-art solutions are at the heart of many of the world's largest data centers, and embedded in advanced smart phones, tablets and PCs. SanDisk's consumer products are available at hundreds of thousands of retail stores worldwide. For more information, visit www.sandisk.com.

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This news release contains certain forward-looking statements, including our business prospects and our intended financial plans, including our anticipated momentum for continued gains in 2014, our continued focus on growth initiatives and our ability to execute on those initiatives, that are based on our current expectations and involve numerous risks and uncertainties that may cause these forward-looking statements to be inaccurate. Risks that may cause these forward-looking statements to be inaccurate include among others: the market demand for our products may grow more slowly than our expectations or our products may not perform as expected or be available when demanded by customers, or the other risks detailed from time-to-time in our Securities and Exchange Commission filings and reports, including, but not limited to, our most recent annual report on Form 10-K. We do not intend 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, lower revenues and lower gross margins;
- excess or mismatched captive memory output or capacity, resulting in lower average selling prices, financial charges and impairments, lower gross margin or other consequences, or

insufficient or mismatched captive memory output or capacity, resulting in lost revenue and growth opportunities;

- weakness in demand in one or more of our product categories, such as mobile embedded or SSDs, or adverse changes in our product or customer mix;
- potential delays in product development or lack of customer acceptance and qualification of our solutions, including on new technology nodes, particularly in our OEM product category, including, among others, our embedded flash storage and SSD solutions;
- the loss of, or reduction in orders from, one or more of our major customers;
- inability to develop, or unexpected difficulties or delays in developing or ramping with acceptable yields, new technologies or the failure of new technologies to effectively compete with those of our competitors; 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 29, 2013.

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

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

(3) Non-GAAP diluted shares include the impact of offsetting shares from the call option related to the 1.5% Sr. Convertible Notes due 2017 and the impact of share-based compensation.

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