

UBS Global Communications and Technology Conference

November 16, 2006



Judy Bruner

***Executive Vice President, Administration
and Chief Financial Officer***



Forward-Looking Statement

During the course of this presentation, we will make forward-looking statements regarding future events and the future performance of the Company. These forward-looking statements entail various significant risks and uncertainties that could cause our actual results to differ materially from those expressed in such forward-looking statements. The words “believe”, “anticipate”, “expect”, “estimate”, “intend”, “plan”, “may”, “will” and other similar expressions generally identify forward-looking statements. In addition, any statements, that refer to expectations, outlook, projections or other characterizations of future events or circumstances are forward-looking statements. Listeners are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. We refer you to the documents we file from time to time with the Securities and Exchange Commission, and our most recent Form 10-K and Form 10-Q, as well as our pres release and reports on Form 8-K, including those regarding this transaction. These documents contain and identify important factors that could cause results to differ materially from those contained in any forward-looking statements. We do not undertake any obligation to update any of the information contained in any forward-looking statement.

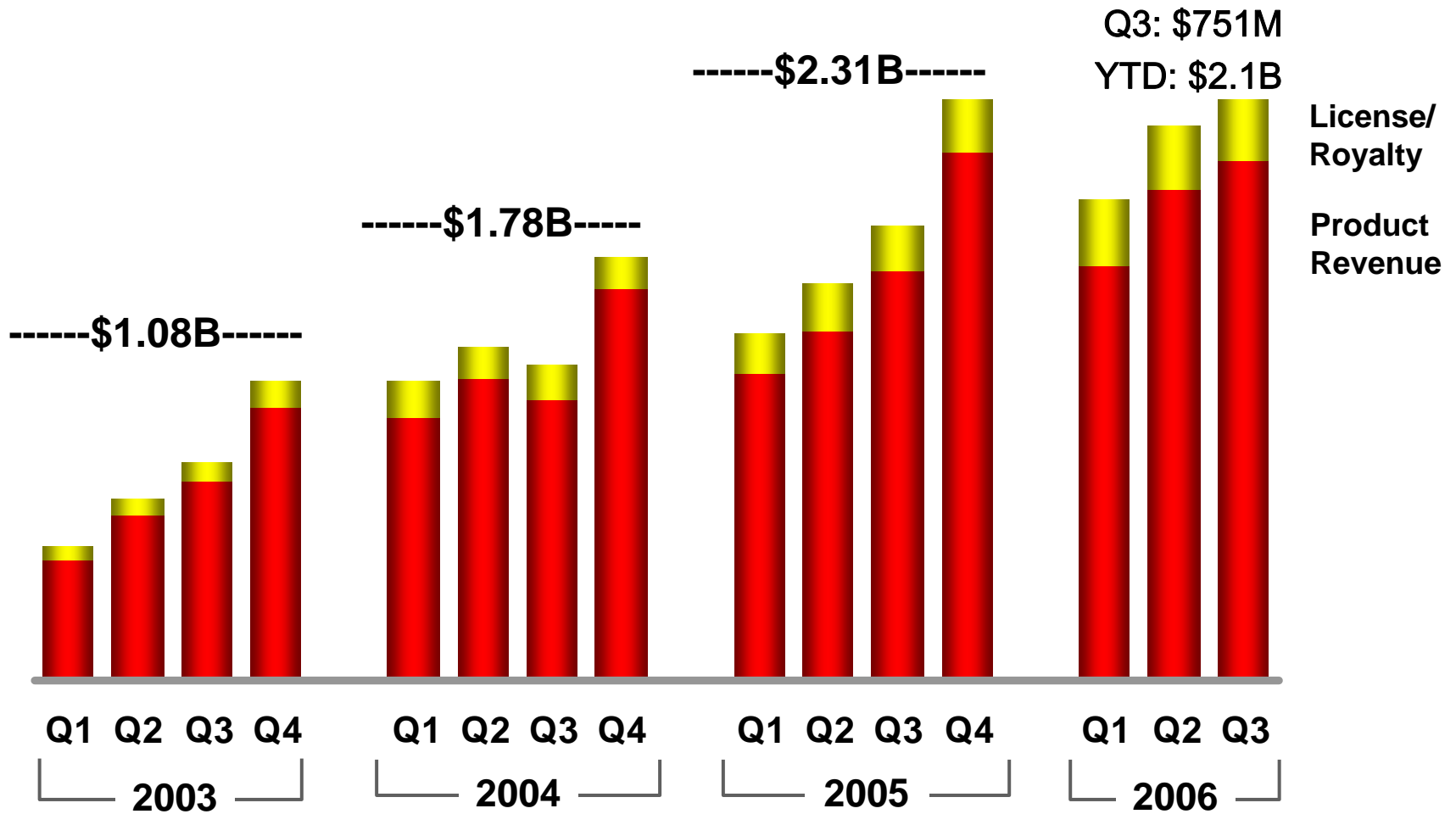
Recent Accomplishments

- Solid Q306 Financial Results
 - MB sold up 217% y/y and up 40% q/q
 - ASP per MB down 60% y/y and down 25% q/q
 - Product gross margin (32.7%, non-GAAP) remained stable q/q
- Announcement of msystems Acquisition on July 30, 2006
 - Expect to close in November
- Continuing Ramp of Fab 3
 - Completed transition to 70nm NAND MLC in Q306
- Fab 4 Groundbreaking on August 4, 2006
 - Production starts planned for Q407
- 196,000 Retail Outlets including 62,000 Mobile
- microSD #1 SanDisk Product in Unit Sales
- Sansa MP3 Players Gaining Market Share

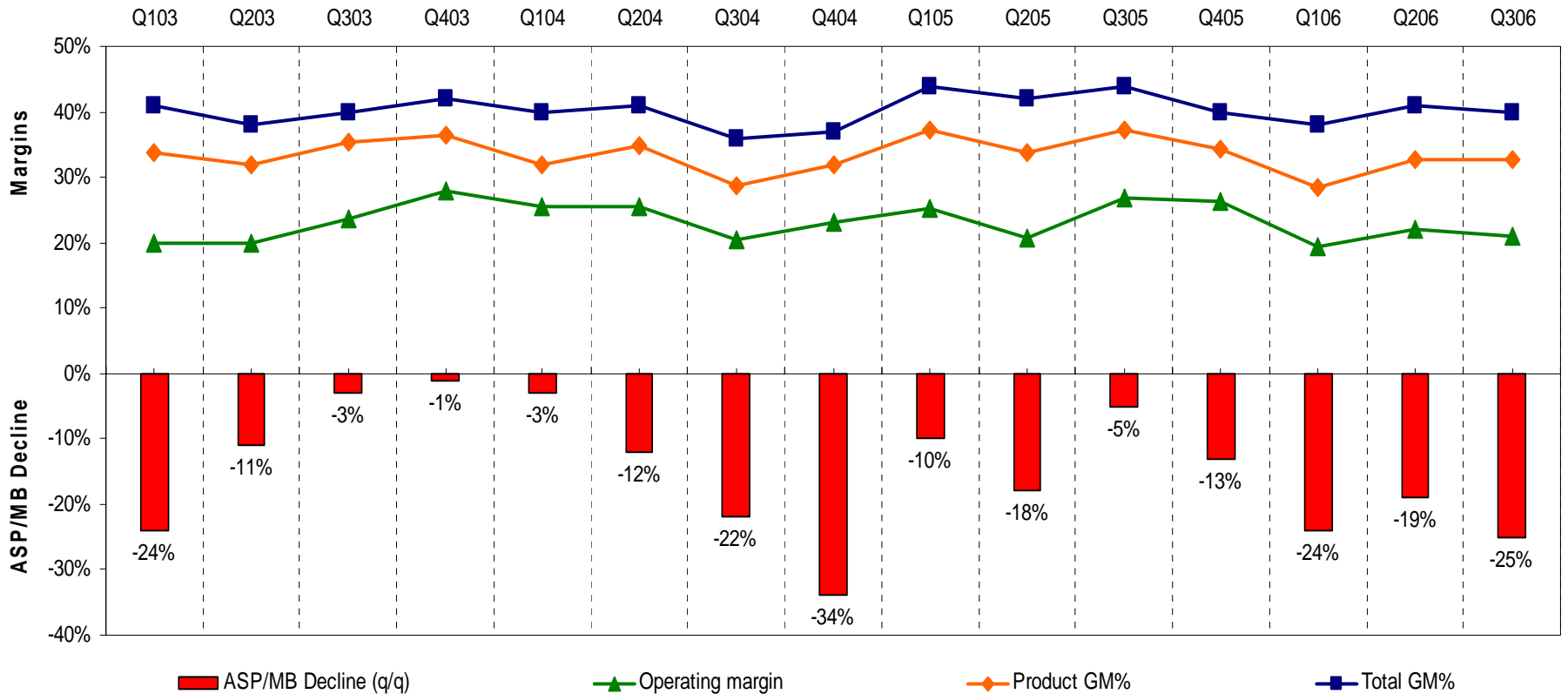
Update on msystems Acquisition

- Regulatory approvals received
- msystems shareholders approved acquisition on November 8
- Israeli court approval hearing on November 16
- Expect to close in November 2006
- Integration planning process proceeding well
- Organizing combined company by customer facing business divisions

Q306 Revenue Up 27% Y/Y

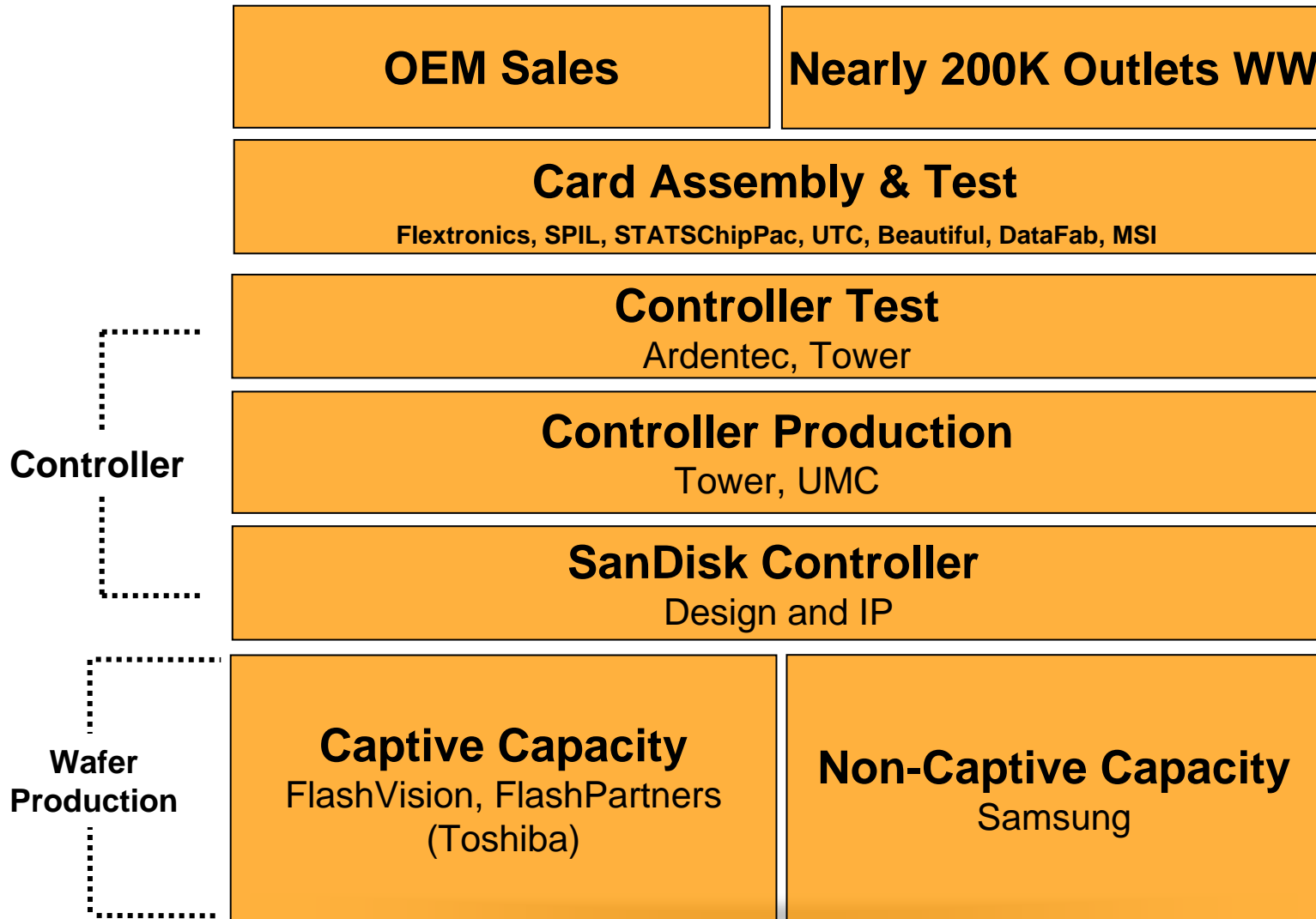


Delivering Stable Margins (non-GAAP)

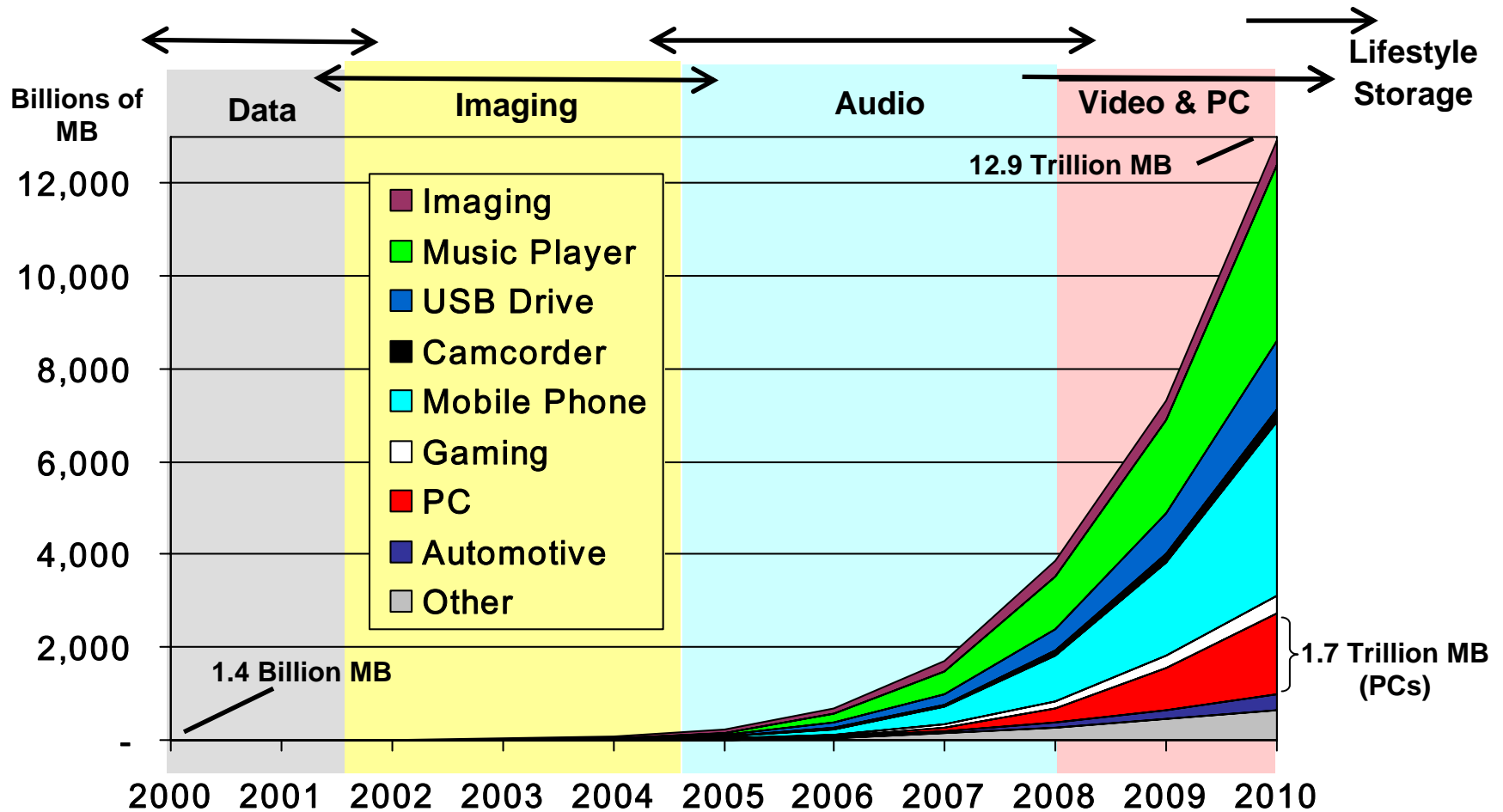


Note: Non-GAAP margins exclude stock compensation expense, amortization of purchased intangibles and in-process R&D expense

Vertical Integration = Low-Cost + Flexibility



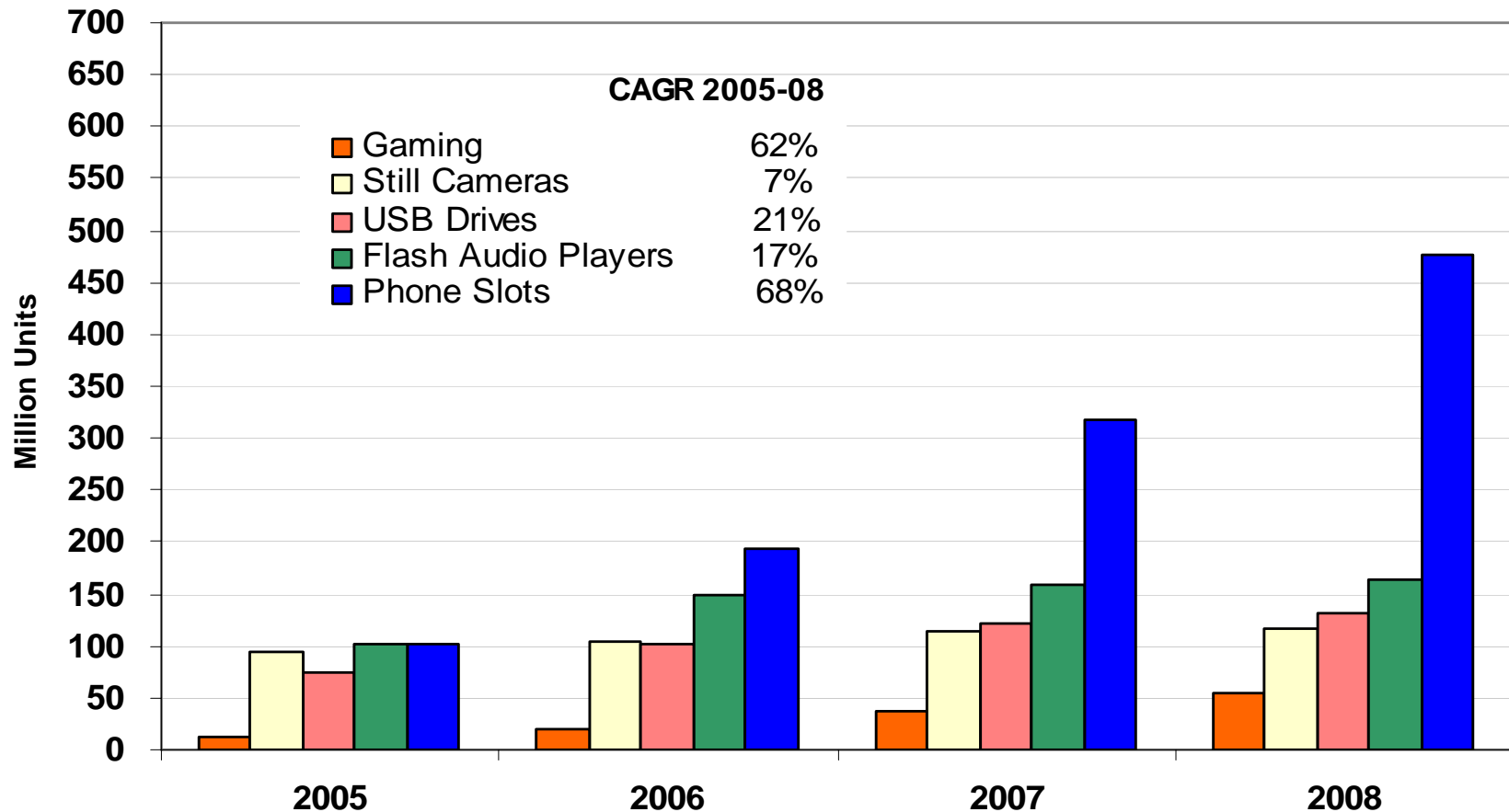
NAND Consumption Drivers



Note: NAND flash consumption includes both in-system and removable storage such as flash cards.

Source: Gartner Dataquest, May 2006

SanDisk Key Markets



Sources: Gaming - IDC Jan06 / SanDisk Aug06, Flash Audio - IDC Apr06, DSCs - IDC Apr06, UFDs - Santa Clara Consulting Group Feb06, Phone Slots - Strategy Analytics Feb06

SanDisk Cards Penetrating New Applications

Music Phones

- Phones shipping with card slots
- Bundled cards (>1 GB capacities)



Nintendo Game Boy

- Game stored on OTP memory
- SD cards



Disney PMP

- Player for \$99
- Content for \$20
- Pre-loaded secure content
- SD cards



V-Mate™ Video
Memory
Card Recorder



Sansa Base Station

Strategic Partnerships Aid Product Adoption

ALL YOU CAN DOWNLOAD
OVER 2 MILLION SONGS
EXCLUSIVE MUSIC • LIVE TRACKS

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FREE MUSIC FOR 2 MONTHS!

SanDisk
2GB Sansa e200R
Rhapsody MP3 player
is built to work perfectly
with the Best Buy
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in store or at BestBuy.com/digitalmusicstore A \$29.98 VALUE

\$199.99

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1 \$14.99 a month automatically charged to your credit card after the 2 month trial period. New customers only. Credit card required for activation. It is necessary to maintain a current account in order to continue accessing songs downloaded on your PC and/or transferred to your MP3 player using the Best Buy Digital Music Store. 2 Formatted capacity may vary. 3 Songs available on trial basis and will expire after 1,000 plays or 30 days. 4 Go to www.ESRB.org for video game & computer software game rating information. 5 See Best Buy.com for details. © 2006 Best Buy

Sansa e200R:

Optimized for Best Buy/Rhapsody

(launched on October 5, 2006)



- Thin & sleek design
- Large color screen (45.6mm TFT)
- Strong, scratch-resistant alloy metal back case
 - durability & scratch resistance
- microSD slot to easily expand capacity
- Play music, photo, video clips
- FM tuner
- Recording on the fly
- Easy-to-use interface
- Up to 20 hours battery-life
 - Rechargeable, replaceable at home

Put a world of **MUSIC** in the palm of your hand

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TAP INTO OVER 2 MILLION SONGS • UNLIMITED ACCESS¹ • EXCLUSIVE MUSIC • LIVE TRACKS

SanDisk
SAMPLE OVER 200 SONGS RIGHT AWAY!
4GB Sansa e200R Rhapsody MP3 Player

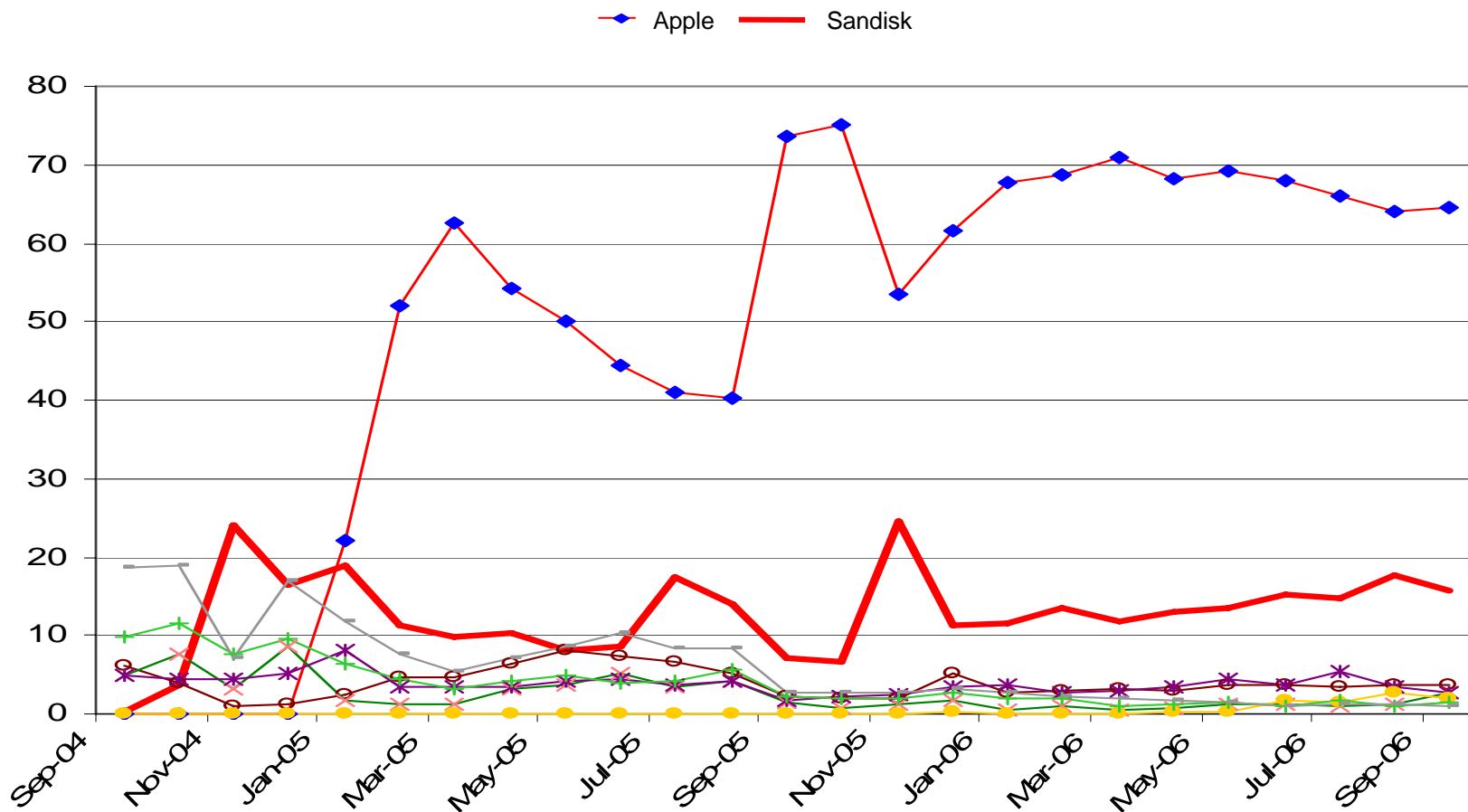
\$199.99

FREE MUSIC FOR 2 MONTHS!

Sign up in store today for your **FREE 2-Month trial!** A \$29.98 value.

1 Formatted capacity may vary. 2 Songs available on trial basis and will expire after 1,000 plays or 30 days. 3 \$14.99 a month automatically charged to your credit card after the 2 month trial period. New customers only. Credit card required for activation. It is necessary to maintain a current account in order to continue accessing songs downloaded on your PC and/or transferred to your MP3 player using the Best Buy Digital Music Store to Go Membership. © 2006 Best Buy

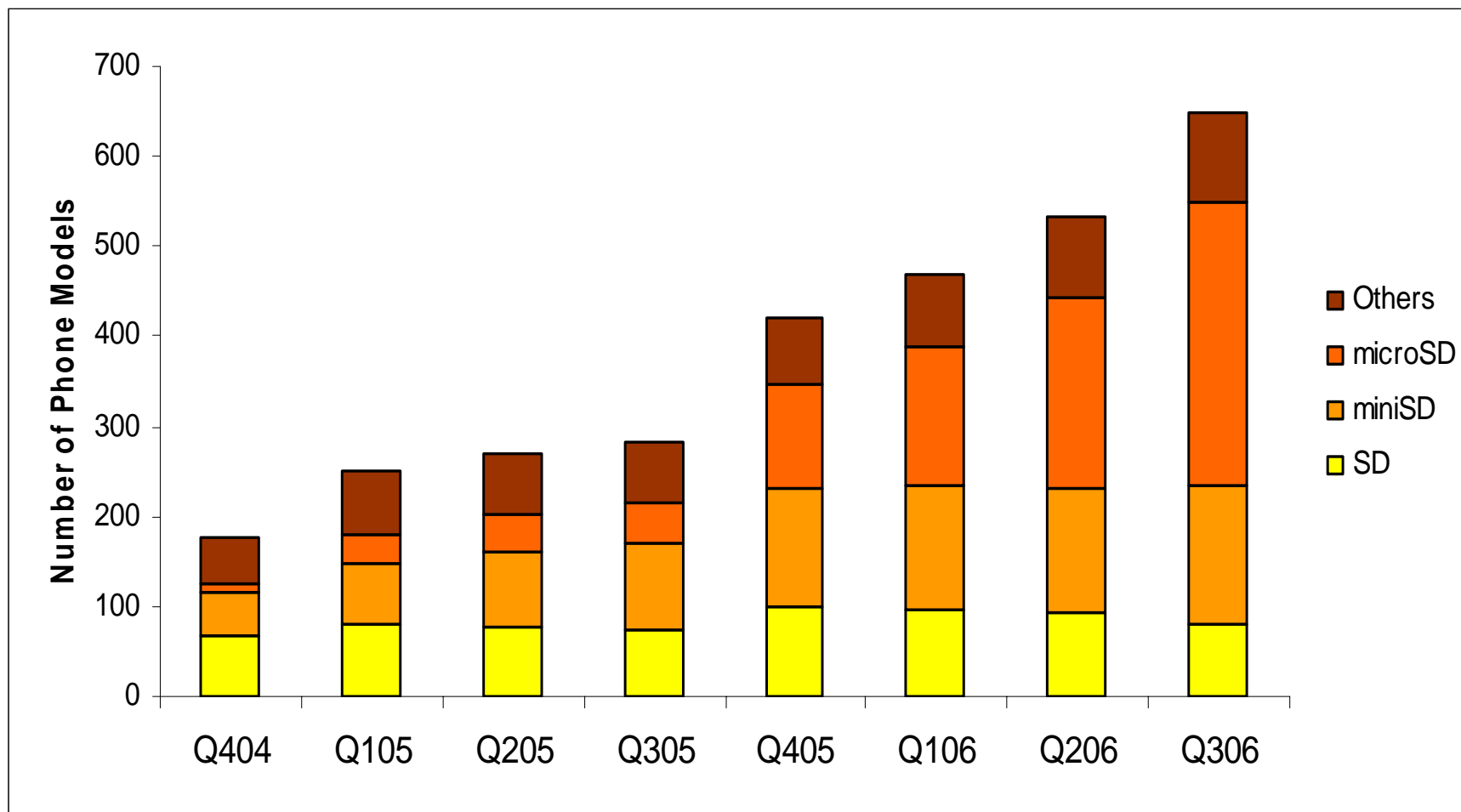
Flash Digital Audio Players: Strong #2 Unit Market Share in U.S. Retail



Source: NPD Group

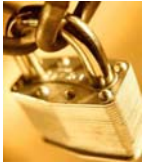
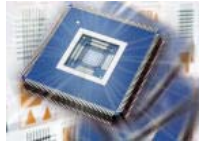
Mobile Phones: microSD Adoption Accelerating

Flash Card Adoption in Handsets



Source: SanDisk, 2006

SanDisk Works with Ecosystem Partners to Accelerate Market Adoption



ASSP,
OS

Security

Content
and
Service Providers

Mobile
Operators

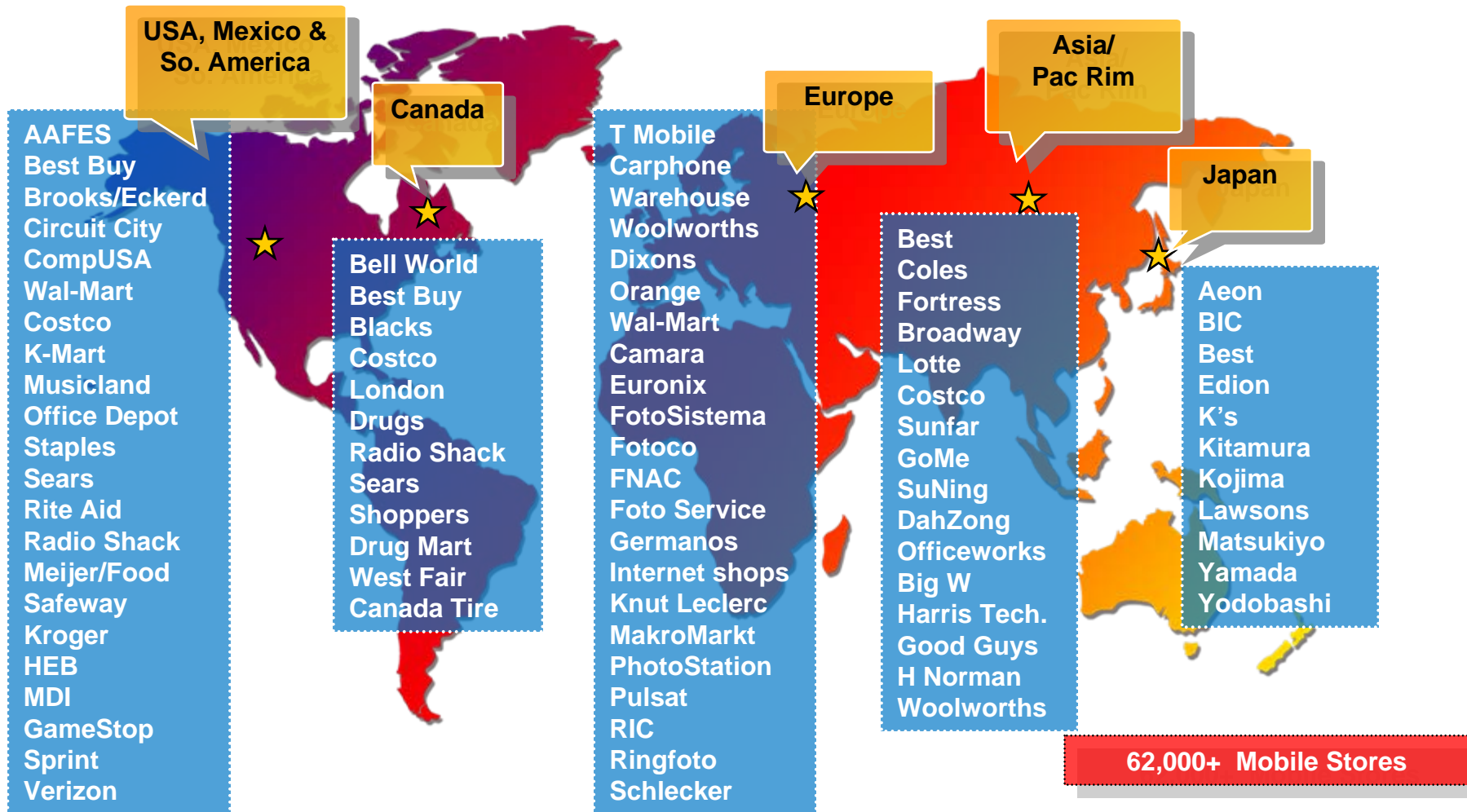
Handset
Vendors

Retailers



Mobile Operators requirements are incorporated by the EcoSystem partners and incorporated by handset vendors

Global Reach: 196,000 Storefronts



Thank You!



SanDisk ®
STORE YOUR WORLD IN OURS®

GAAP vs. Non-GAAP Reconciliation

<i>(\$, mil)</i>	Q106	Q206	Q306
Non-GAAP Gross Profit	\$238	\$291	\$299
Stock-Based Compensation	-	\$2	\$3
GAAP Gross Profit	\$238	\$289	\$296
Non-GAAP Operating Income	\$120	\$159	\$158
Stock-Based Compensation	\$19	\$26	\$25
In-Process Technology	\$40	-	-
Amortization of Intangibles	\$4	\$4	\$4
GAAP Operating Income	\$ 58	\$129	\$128

Note: Numbers may not add up exactly due to rounding