

SanDisk Corp

S&P Capital IQ Recommendation



S&P Capital IQ Equity Analyst Angelo Zino, CFA

Price

\$96.63 (as of May 30, 2014 4:00 PM ET)

12-Mo. Target Price

\$86.00

Report Currency

USD

Investment Style

Large-Cap Growth

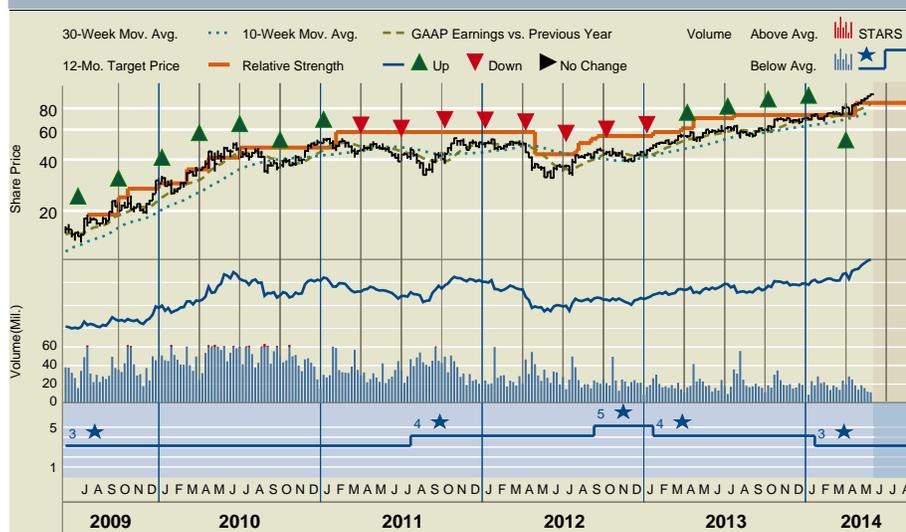
GICS Sector Information Technology
Sub-Industry Technology Hardware, Storage & Peripherals

Summary This company designs, makes and markets flash memory storage products used in a wide variety of electronic systems.

Key Stock Statistics (Source S&P Capital IQ, Vickers, company reports)

52-Wk Range	\$97.35–53.09	S&P Oper. EPS 2014E	5.87	Market Capitalization(B)	\$21.791	Beta	1.46
Trailing 12-Month EPS	\$4.81	S&P Oper. EPS 2015E	6.05	Yield (%)	0.93	S&P 3-Yr. Proj. EPS CAGR(%)	10
Trailing 12-Month P/E	20.1	P/E on S&P Oper. EPS 2014E	16.5	Dividend Rate/Share	\$0.90	S&P Quality Ranking	B-
\$10K Invested 5 Yrs Ago	\$62,508	Common Shares Outstg. (M)	225.5	Institutional Ownership (%)	95		

Price Performance



Past performance is not an indication of future performance and should not be relied upon as such.

Analysis prepared by Equity Analyst **Angelo Zino, CFA** on Apr 17, 2014 11:53 AM, when the stock traded at **\$83.53**.

Highlights

- ▶ We forecast that sales will rise 8.5% in 2014 and 5.5% in 2015, after an increase of 22% in 2013. We believe SNDK is not only benefiting from a healthy supply/demand flash memory landscape but also a shift toward higher-margin product offerings. We see increasing flash consumption and innovation on the horizon from next-generation smartphones, tablets, portable PCs, as well as smarter televisions, driving demand. We expect solid state drive demand to rise, aided by the evolution of more innovative and efficient PCs and migration to the cloud supporting enterprise spending.
- ▶ We anticipate a fairly steady operating gross margin for both 2014 and 2015, compared to a 47% margin in 2013. We think SNDK will benefit from higher growth in megabytes, but we expect pricing pressure for the foreseeable future. We see margins being aided by cost reductions over time as SNDK transitions to more advanced processes. We see the transition to solid state drives providing for better product mix in the foreseeable future.
- ▶ We see operating EPS of \$5.87 for 2014 and \$6.05 for 2015, which excludes stock-based compensation expense.

Investment Rationale/Risk

- ▶ Our hold opinion is primarily based on valuation, near-term pricing uncertainty given capacity expansion plans, and our belief that SNDK is poised to benefit from new applications, namely solid state drives. We see end-demand prospects driven by the adoption of next generation notebooks, new tablets and smartphones, and eventually greater penetration by consumers into the cloud. We see greater use of flash, which has greater density, in servers/datacenters supporting growth. We see the shares being aided to some extent by net cash per share (including long-term securities) of over \$18 as of the end of March 2014.
- ▶ Risks to our recommendation and target price include the potential for more aggressive price erosion than we forecast, and weaker end-market demand than we foresee.
- ▶ Our 12-month target price of \$86 reflects a blend of P/E and price/sales analyses. We obtain a \$91 price based on a P/E of 15X our 2015 EPS estimate. We derive an \$81 price by applying a 2.3X multiple to our 2015 sales per share estimate. Both are within 10% of peers and near SNDK's five-year historical averages.

Analyst's Risk Assessment

LOW	MEDIUM	HIGH
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Our risk assessment reflects the volatile nature of the flash memory space, an intensifying competitive environment, and what we deem to be significant price erosion within the industry.

Revenue/Earnings Data

Revenue (Million \$)	1Q	2Q	3Q	4Q	Year
2014	1,512	--	--	--	--
2013	1,341	1,476	1,625	1,728	6,170
2012	1,206	1,032	1,273	1,542	5,053
2011	1,294	1,375	1,416	1,577	5,662
2010	1,087	1,179	1,234	1,327	4,827
2009	659.5	730.6	935.2	1,242	3,567

Earnings Per Share (\$)

2014	1.14	E1.32	E1.53	E1.69	E5.87
2013	0.68	1.06	1.18	1.45	4.34
2012	0.46	0.05	0.31	0.87	1.70
2011	0.92	1.02	0.96	1.14	4.04
2010	0.99	1.08	1.34	2.01	5.44
2009	-0.92	0.23	0.99	1.45	1.79

Fiscal year ended Dec. 31. Next earnings report expected: Mid July. EPS Estimates based on S&P Capital IQ Operating Earnings; historical GAAP earnings are as reported in Company reports.

Dividend Data

Amount (\$)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
0.225	Jul 31	Aug 8	Aug 12	Aug 30 '13
0.225	Oct 16	Oct 31	Nov 4	Nov 25 '13
0.225	Jan 22	Jan 30	Feb 3	Feb 24 '14
0.225	Apr 16	May 1	May 5	May 27 '14

Dividends have been paid since 2013. Source: Company reports.

Past performance is not an indication of future performance and should not be relied upon as such.

Please read the Required Disclosures and Analyst Certification on the last page of this report.

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SanDisk Corp**Business Summary** April 17, 2014

CORPORATE OVERVIEW. SanDisk Corp. (SNDK) designs, makes and markets flash storage card products used in a wide variety of consumer electronics products such as digital cameras, mobile phones, laptops, Universal Serial Bus, or USB, drives, gaming devices and MP3 players. Flash storage technology allows data to be stored in a durable, compact format that retains the digital information even after the power has been switched off. SNDK also provides high-speed and high-capacity storage solutions, known as solid-state drives, or SSDs, that can be used in lieu of hard disk drives in a variety of computing devices, including personal computers and enterprise servers.

SNDK focuses on three primary markets: mobile phones, consumer, and computing. For mobile phones, SNDK's cards are experiencing increasing demand as multimedia features such as video and Internet access become more prevalent. The company is a leading supplier of the microSD and Memory Stick Micro product lines of removable storage cards used in mobile phones.

Within the consumer market, SNDK provides flash storage products for imaging, gaming, audio/video and global positioning system (GPS). Flash storage cards are used as the film for all major brands of digital cameras. Its cards are also used to store video in solid-state digital camcorders and to store digital data in many other devices, such as maps in GPS devices.

In the computing market, SNDK sells USB flash drives that allow consumers to store computer files, pictures and music on keychain-sized devices and then transfer these files between laptops, notebooks, desktops and other devices that incorporate a USB connection. SNDK is currently developing SSDs for the mainstream notebook and desktop computer markets and it believes that SSDs will become a major application for NAND flash memory over the next several years as they are increasingly likely to replace hard disk drives.

We believe SNDK's primary competitors include Hynix Semiconductor, Intel, Micron, Samsung and Toshiba. Although competitive pressures are strong within the industry, SNDK also holds tight relationships with many of its peers due to supply agreements that it has with some of these manufacturers.

CORPORATE STRATEGY. Most of SNDK's products are manufactured by combining NAND flash memory with a controller chip. The vast majority of its NAND flash memory supply requirements are purchased through its flash venture relationship with Toshiba Corporation, which provides the company with memory wafers. From time to time, SNDK also purchases flash memory on a foundry basis from NAND flash manufacturers including Toshiba, Samsung, and Hynix Semiconductor. SNDK typically designs its controllers in-house and has them manufactured at third-party foundries.

SNDK develops and owns leading-edge technology and patents for flash memory and data storage cards. The company has an extensive patent portfolio that has been licensed by several leading semiconductor companies. Over the past three years, on a cumulative basis, SNDK's license and royalty revenues exceeded \$1 billion.

FINANCIAL TRENDS. According to SNDK, the market for flash storage is price elastic, meaning that a decrease in the price per megabyte results in demand for higher capacity and the emergence of new applications for flash storage. We believe pricing in the NAND flash industry depends on the balance between supply and demand, and in periods of oversupply, price declines can more than offset unit growth, leading to a decline in product revenues. However, when the pricing decline is greater than the cost decline, which typically occurs during periods of industrywide oversupply, it could result in a decline in SNDK's product gross margin. Following a 35% revenue increase in 2010, sales rose 17% in 2011. Subsequently, revenue fell 11% in 2012, hurt by an inventory correction and significant pricing pressure during the first half of the year. Revenue grew 22% in 2013, led by the adoption of solid state drives.

SNDK obtains a majority of its raw material wafer requirements from a joint venture it has established with Toshiba. SNDK holds a 49.9% ownership position in existing Toshiba and SanDisk venture entities. Each venture purchases wafers from Toshiba at cost and then resells those wafers to SNDK and Toshiba at cost plus a mark-up. Given this relationship, SNDK's cost of goods sold is heavily impacted by changes in the Japanese yen/U.S. dollar exchange rate. We estimate that about three-fourths of SNDK's total cost of goods sold is exposed to the yen. We view any Japanese yen softness versus the U.S. dollar as an incremental positive for SNDK and vice versa. We believe that there is typically about a one- to two- quarter lag between the yen currency movement and its impact on the gross margin.

Corporate Information**Investor Contact**

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S. Mehrotra

D. S. Mercer

Domicile

Delaware

Founded

1988

Employees

5,459

Stockholders

261

SanDisk Corp**Quantitative Evaluations**

S&P Capital IQ Fair Value Rank	2+	1	2	3	4	5
		LOWEST				HIGHEST
		Based on S&P Capital IQ's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).				

Fair Value Calculation **\$90.10** Analysis of the stock's current worth, based on S&P Capital IQ's proprietary quantitative model suggests that SNDK is slightly overvalued by \$6.53 or 6.8%.

Investability Quotient Percentile	92
	LOWEST = 1 HIGHEST = 100
	SNDK scored higher than 92% of all companies for which an S&P Capital IQ Report is available.

Volatility	LOW	AVERAGE	HIGH
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Technical Evaluation **BULLISH** Since February, 2014, the technical indicators for SNDK have been BULLISH.

Insider Activity	UNFAVORABLE	NEUTRAL	FAVORABLE
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For further clarification on the terms used in this report, please visit www.standardandpoors.com/stockreportguide

Expanded Ratio Analysis

	2013	2012	2011	2010
Price/Sales	2.75	2.11	2.13	2.47
Price/EBITDA	8.02	9.63	6.66	7.06
Price/Pretax Income	11.18	17.02	8.15	8.17
P/E Ratio	16.25	25.56	12.19	9.16
Avg. Diluted Shares Outstg (M)	240.2	245.3	244.6	238.9

Figures based on calendar year-end price

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	22.12	6.42	12.93	13.00
Net Income	NM	-14.12	NM	50.52

Ratio Analysis (Annual Avg.)

Net Margin (%)	16.90	14.20	16.23	5.32
% LT Debt to Capitalization	22.18	16.51	18.28	17.71
Return on Equity (%)	14.65	11.95	14.88	5.63

Company Financials Fiscal Year Ended Dec. 31

Per Share Data (\$)	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Tangible Book Value	28.42	28.23	27.30	24.29	16.85	13.76	16.94	15.31	13.41	10.78
Cash Flow	6.27	3.40	5.17	6.39	2.79	-8.00	1.97	1.61	2.34	1.62
Earnings	4.34	1.70	4.04	5.44	1.79	-9.19	0.93	0.96	2.00	1.44
S&P Capital IQ Core Earnings	4.33	1.69	3.90	5.34	1.77	-5.06	0.96	0.94	1.76	1.29
Dividends	0.45	Nil								
Payout Ratio	10%	Nil								
Prices:High	70.93	53.08	53.61	52.31	31.18	33.73	59.75	79.80	65.49	36.35
Prices:Low	44.30	30.99	32.24	24.90	7.53	5.07	32.74	37.34	20.25	19.28
P/E Ratio:High	16	31	13	10	17	NM	64	83	33	25
P/E Ratio:Low	10	18	8	5	4	NM	35	39	10	13

Income Statement Analysis (Million \$)

Revenue	6,170	5,053	5,662	4,827	3,567	3,351	3,896	3,258	2,306	1,777
Operating Income	2,113	1,108	1,807	1,688	750	-569	536	688	642	457
Depreciation	464	417	277	227	231	254	246	136	65.8	38.9
Interest Expense	91.5	120	123	88.1	68.6	16.5	16.9	Nil	0.57	5.95
Pretax Income	1,516	627	1,477	1,457	504	-1,903	398	431	613	423
Effective Tax Rate	31.2%	33.4%	33.2%	10.8%	17.6%	NM	43.9%	53.4%	37.0%	37.0%
Net Income	1,043	417	987	1,300	415	-2,070	218	199	386	267
S&P Capital IQ Core Earnings	1,041	415	952	1,276	411	-1,138	225	195	339	239

Balance Sheet & Other Financial Data (Million \$)

Cash	2,906	2,876	2,849	2,848	1,919	1,439	1,835	1,581	762	464
Current Assets	4,651	4,606	4,356	4,033	2,915	2,703	3,300	4,242	2,576	1,880
Total Assets	10,489	10,339	10,175	8,777	6,002	5,879	7,235	6,968	3,120	2,320
Current Liabilities	1,231	1,882	1,093	960	871	1,263	914	896	571	353
Long Term Debt	1,985	790	1,605	1,711	935	1,225	1,225	1,225	Nil	Nil
Common Equity	6,968	7,264	7,064	5,783	3,910	3,162	4,960	4,768	2,524	1,940
Total Capital	8,951	8,956	8,662	7,490	4,918	4,400	6,200	5,999	2,524	1,940
Capital Expenditures	213	488	193	108	59.7	184	259	176	134	126
Cash Flow	1,507	835	1,264	1,527	646	-1,803	464	334	452	305
Current Ratio	3.8	2.5	4.0	4.2	3.4	2.1	3.6	4.7	4.5	5.3
% Long Term Debt of Capitalization	22.2	8.8	18.5	22.8	19.0	27.9	19.8	20.4	Nil	Nil
% Net Income of Revenue	16.9	8.3	17.4	26.9	11.6	NM	5.6	6.1	16.8	15.0
% Return on Assets	10.0	4.1	10.4	17.6	7.0	NM	3.1	3.9	14.2	12.2
% Return on Equity	14.7	5.8	15.4	26.8	11.7	NM	4.5	5.5	17.3	15.4

Data as originally reported in Company reports.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

Sector Outlook

S&P Capital IQ recommends overweighting the S&P 500 Information Technology sector. Year to date through April 3, 2014, the S&P 500 Information Technology Index, which represented 18.6% of the S&P 500 Index, was up 2.6% in price, compared with a 2.2% gain for the S&P 500. In 2013, this sector index rose 26.2%, versus a price advance of 29.6% for the 500. There are 13 sub-industry indices in this sector. Technology Hardware, Storage & Peripherals is the largest, representing 21.4% of the sector's market value, while Electronic Equipment & Instruments is the smallest, accounting for 0.2% of the sector.

The cap-weighted average of this sector's component company S&P Capital IQ STARS (Stock Appreciation Ranking System) is 3.4, as compared with a cap-weighted average of 3.5 for the S&P 500. The sub-industries within this sector that currently show the highest average STARS are Communications Equipment at 3.9, Technology Hardware, Storage & Peripherals at 3.8, and Semiconductors at 3.7. Those with the lowest average STARS are Data Processing & Outsourced Services at 3.0 and Application Software at 2.4. According to Capital IQ, the sector is projected to record a 5.8% year-over-year increase in operating earnings per share in 2014, as compared with the S&P 500's estimated EPS growth of 7.5%. During 2013, this sector posted a 2.2% advance in EPS, versus an increase of 5.9% for the S&P 500. The sector's price-to-earnings ratio of 15.5X, based on consensus 2014 operating EPS estimates, is below the S&P 500's forward P/E of 16.0X. Capital IQ also reports that the consensus long-term EPS growth estimate for this sector is 13.8% versus the S&P 500's 12.0%, giving the sector a P/E-to-projected EPS growth rate (PEG) ratio of 1.1X, which is below the broader market's PEG of 1.3X. Finally, this sector pays a dividend yield of 1.6%, as compared with the

yield of 2.0% for the S&P 500.

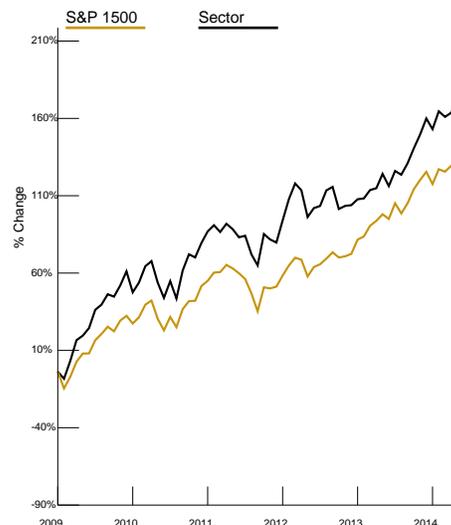
S&P Capital IQ's proprietary technical indicator for this sector currently shows a positive reading. In researching the past market history of prices and trading volume for each company, S&P Capital IQ's computer models apply special technical methods and formulas to identify and project price trends for the sector.

--S. Stovall

Industry Performance

GICS Sector: Information Technology

Based on S&P 1500 Indexes
Five-Year market price performance through May 31, 2014



NOTE: A sector chart appears when the sub-industry does not have sufficient historical index data.

All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS).

Past performance is not an indication of future performance and should not be relied upon as such.

Sector : Information Technology Information Technology Peer Group*: Based on market capitalizations within GICS Sub-Industry

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
SanDisk Corp	SNDK	21,791	96.63	97.35/53.09	1.46	0.9	20	90.10	B-	92	16.9	22.2
3D Systems	DDD	5,243	50.65	97.28/41.05	2.04	Nil	NM	41.00	B-	89	8.6	1.2
Blackberry Ltd	BBRY	3,944	7.60	15.09/5.44	1.43	Nil	NM	NA	B	10	NA	31.0
Canon Inc ADS	CAJ	37,344	33.03	34.82/28.67	1.02	3.3	16	31.30	NR	89	6.4	Nil
Diebold, Inc	DBD	2,424	37.53	41.45/27.89	1.09	3.1	NM	27.20	B-	82	NM	43.6
Eastman Kodak	KODK	1,195	28.68	37.73/22.76	NA	Nil	2	NA	NR	4	90.2	50.8
Electronics For Imaging	EFII	1,870	40.69	47.75/27.07	1.14	Nil	18	41.60	B	83	15.0	1.5
Lexmark Intl' A'	LXK	2,714	43.59	47.98/29.46	1.22	3.3	11	NA	B	93	7.1	33.8
Logitech Intl	LOGI	2,109	13.05	16.88/6.46	1.66	1.8	28	NA	NR	63	3.6	NA
NCR Corp	NCR	5,444	32.66	41.63/28.64	1.46	Nil	13	47.20	B-	29	7.4	64.5
NetApp Inc	NTAP	13,365	37.01	45.96/33.34	1.37	1.8	20	46.40	B	94	8.0	14.3
Nokia Corp *ADS	NOK	30,193	8.13	8.20/3.42	1.81	0.9	NM	8.90	NR	12	0.3	24.7
Seagate Technology Plc	STX	17,546	53.73	62.76/37.17	2.37	3.2	12	61.70	NR	91	12.8	44.1
Stratasys Ltd	SSYS	4,588	93.02	138.10/74.54	1.19	Nil	NM	93.30	NR	78	NA	NA
Western Digital	WDC	20,820	87.85	95.00/58.04	1.41	1.8	21	95.90	B	90	6.4	17.5

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

S&P Capital IQ Analyst Research Notes and other Company News**May 8, 2014**

07:18 am ET ... SANDISK CORP. (SNDK 86.96) UNCHANGED, BANK OF AMERICA MAINTAINS UNDERPERFORM ON SANDISK CORPORATION, RAISES PO TO \$70.... Bank of America maintains SanDisk Corporation (NASDAQ: SNDK) with a Underperform and raises the price target from \$65.00 to \$70.00. 2014 Benzinga.com. Benzinga does not provide investment advice. All rights reserved.Acquire Media

May 8, 2014

06:46 am ET ... SANDISK CORP. (SNDK 86.96) UNCHANGED, BMO CAPITAL MAINTAINS MARKET PERFORM ON SANDISK CORPORATION, RAISES PT TO \$98.00... BMO Capital maintains SanDisk Corporation (NASDAQ: SNDK) with aMarket Perform and raises the price target from \$80.00 to \$98.00. 2014 Benzinga.com. Benzinga does not provide investment advice. All rights reserved.Acquire Media

May 8, 2014

06:45 am ET ... SANDISK CORP. (SNDK 86.96) UNCHANGED, JP MORGAN MAINTAINS NEUTRAL ON SANDISK CORPORATION, MAINTAINS \$87.00 PT... JP Morgan maintains SanDisk Corporation (NASDAQ: SNDK) with aNeutral and maintains \$87.00 PT. 2014 Benzinga.com. Benzinga does not provide investment advice. All rights reserved.Acquire Media

May 8, 2014

06:44 am ET ... SANDISK CORP. (SNDK 86.96) UNCHANGED, PACIFIC CREST MAINTAINS OUTPERFORM ON SANDISK CORPORATION, MAINTAINS \$97.00 PT... Pacific Crest maintains SanDisk Corporation (NASDAQ: SNDK) with aOutperform and maintains \$97.00 PT. 2014 Benzinga.com. Benzinga does not provide investment advice. All rights reserved.Acquire Media

May 8, 2014

06:44 am ET ... SANDISK CORP. (SNDK 86.96) UNCHANGED, RAYMOND JAMES UPGRADES SANDISK CORPORATION TO STRONG BUY, RAISES PT TO \$115.00... Raymond James upgrades SanDisk Corporation (NASDAQ: SNDK) fromOutperform to Strong Buy and raises the price target from \$90.00 to \$115.00. 2014 Benzinga.com. Benzinga does not provide investment advice. All rights reserved.Acquire Media

May 8, 2014

06:43 am ET ... SANDISK CORP. (SNDK 86.96) UNCHANGED, B RILEY MAINTAINS BUY ON SANDISK CORPORATION, RAISES PT TO \$107.00... B Riley maintains SanDisk Corporation (NASDAQ: SNDK) with aBuy and raises the price target from \$100.00 to \$107.00. 2014 Benzinga.com. Benzinga does not provide investment advice. All rights reserved.Acquire Media

May 8, 2014

06:42 am ET ... SANDISK CORP. (SNDK 86.96) UNCHANGED, ISI GROUP MAINTAINS STRONG BUY ON SANDISK CORPORATION, MAINTAINS \$110.00 PT... ISI Group maintains SanDisk Corporation (NASDAQ: SNDK) with aStrong Buy and maintains \$110.00 PT. 2014 Benzinga.com. Benzinga does not provide investment advice. All rights reserved.Acquire Media

May 8, 2014

06:42 am ET ... SANDISK CORP. (SNDK 86.96) UNCHANGED, NOMURA UPGRADES SANDISK CORPORATION TO NEUTRAL, RAISES PT TO \$85.00... Nomura upgrades SanDisk Corporation (NASDAQ: SNDK) from Reduceto Neutral and raises the price target from \$64.00 to \$85.00. 2014 Benzinga.com. Benzinga does not provide investment advice. All rights reserved.Acquire Media

May 8, 2014

06:41 am ET ... SANDISK CORP. (SNDK 86.96) UNCHANGED, COWEN & COMPANY MAINTAINS MARKET PERFORM ON SANDISK CORPORATION, RAISES PT TO \$8... Cowen & Company maintains SanDisk Corporation (NASDAQ: SNDK) with aMarket Perform and raises the price target from \$77.00 to \$80.00. 2014 Benzinga.com. Benzinga does not provide investment advice. All rights reserved.Acquire Media

May 8, 2014

06:40 am ET ... SANDISK CORP. (SNDK 86.96) UNCHANGED, PIPER JAFFRAY MAINTAINS OVERWEIGHT ON SANDISK CORPORATION, RAISES PT TO \$95.00... Piper Jaffray maintains SanDisk Corporation (NASDAQ: SNDK) with aOverweight and raises the price target from \$85.00 to \$95.00. 2014 Benzinga.com. Benzinga does not provide investment advice. All rights reserved.Acquire Media

May 8, 2014

10:24 am ET ... SANDISK CORP. (SNDK 89.25) UP 2.29, STOCKS HITTING 52-WEEK HIGHS... Visteon (NYSE: VC) shares surged 4.22% to reach a new 52-weekhigh of \$93.17 after the company reported its Q1 earnings of \$0.63 per share on revenue of \$1.98 billion. SanDisk (NASDAQ: SNDK) shares gained 2.81% to touch a new 52-week high of \$89.40. Raymond James upgraded SanDisk from Outperform to Strong Buy and lifted the price target from \$90.00 to \$115.00. UGI (NYSE: UGI) shares rose 1.30% to touch a new 52-week high of \$47.39 after the company posted better-than-expected Q2 results and raised its FY14 earnings guidance. Crane Co (NYSE: CR) shares gaine...Acquire Media

May 5, 2014

07:17 am ET ... SANDISK CORP. (SNDK 85.64) UNCHANGED, ISI GROUP UPGRADES SANDISK CORPORATION TO STRONG BUY, RAISES PT TO \$110.00... ISI Group upgrades SanDisk Corporation (NASDAQ: SNDK) fromNeutral to Strong Buy and raises the price target from \$87.00 to \$110.00. 2014 Benzinga.com. Benzinga does not provide investment advice. All rights reserved.Acquire Media

May 5, 2014

11:39 am ET ... SANDISK CORP. (SNDK 86.59) UP 0.95, UPDATE: ISI UPGRADES SANDISK, SEES COST IMPROVEMENTS AND ADVANTAGES... ISI Group analyst C.J. Muse upgraded SanDisk (NASDAQ: SNDK) fromNeutral to Strong Buy and raised the price target from \$87.00 to \$110.00. Muse reported that SanDisk is on a "clear path" for cost improvements on planar NAND. The analyst added that the decision to move into 3D later may prove to be a competitive advantage as peers are facing early process challenges in 3D. ISI Group remains optimistic on the balanced NAND supply and demand into 2015 and nascent enterprise storage demand. The analyst added that SanDisk is "well positioned" to dominate the enter...Acquire Media

April 17, 2014

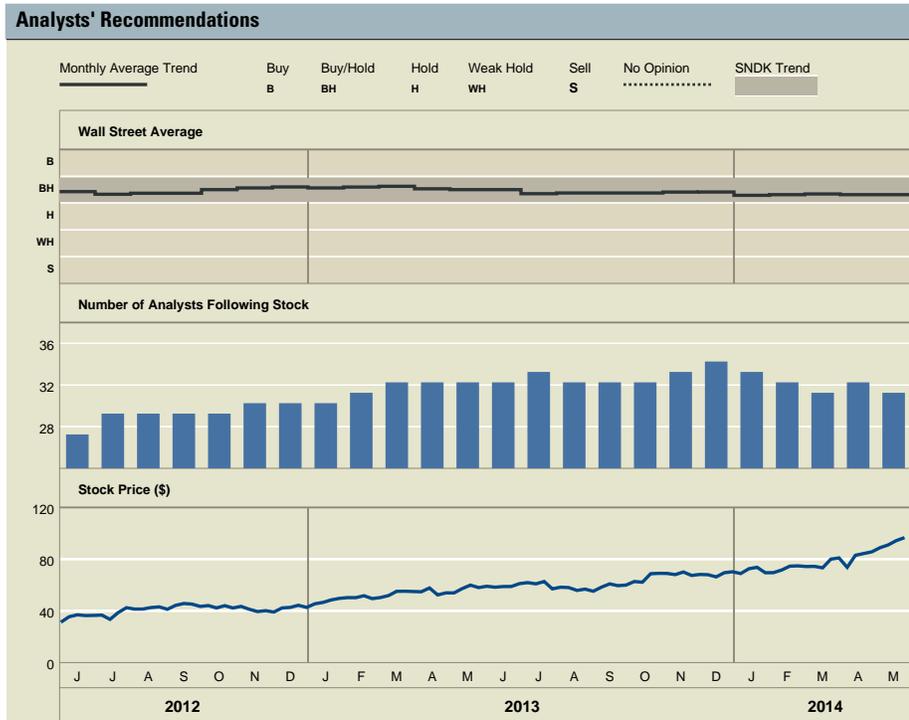
UP 0.00 to 75.85... SNDK posts \$1.14 vs. \$0.68 Q1 GAAP EPS on 13% revenue rise. Says Q1 results driven by 61% growth in its SSD revenue and strong retail performance.

April 17, 2014

11:07 am ET ... SANDISK CORP. (SNDK 83.64) UP 7.79, SANDISK (SNDK) REPORTS HIGHER Q1 RESULTS. RAYMOND JAMES REITERATES OUTPERFORM... Analyst Hans Mosesmann tells salesforce SNDK reported another impressive quarter with solid operating upside, while co. continues to (properly) maintain conservative outlook to keep Street forecasts within reach. Moreover, says SNDK starting to benefit from number of key demand drivers that should ramp over next several years. SSDs continue to be a larger part of SNDK story (beyond just market momentum) with sales up 61% y/y, as engagements with hyper scale customers are just beginning. Raises \$83 price target to \$90. M.Morrow

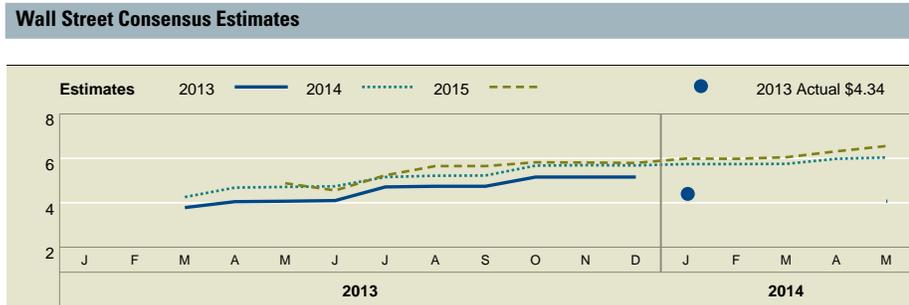
April 17, 2014

09:27 am ET ... S&P CAPITAL IQ MAINTAINS BUY OPINION ON SHARES OF SANDISK CORP. (SNDK 75.85***): We up our 12-month target price \$13 to \$86, on a blend of P/E and price-to-sales near historical averages. We raise our '14 operating EPS estimate by \$0.78 to \$5.87 and '15's by \$0.41 to \$6.05. Our estimates now exclude stock compensation expense. SNDK's Q1 operating EPS of \$1.44 and revenue growth of 13%, were ahead of our estimates, as SNDK saw momentum for its Solid State Drives (SSD). We think SNDK is making significant progress on the enterprise SSD side, which more than doubled, benefiting from cloud adoption. We expect supply/demand NAND conditions to remain healthy. /A. Zino-CFA



Of the total 33 companies following SNDK, 32 analysts currently publish recommendations.

	No. of Recommendations	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	14	44	12	12
Buy/Hold	6	19	7	7
Hold	8	25	9	9
Weak Hold	2	6	3	3
Sell	1	3	1	1
No Opinion	1	3	1	0
Total	32	100	33	32



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2015	6.60	8.49	5.01	25	14.6
2014	6.08	6.94	5.75	27	15.9
2015 vs. 2014	▲ 9%	▲ 22%	▼ -13%	▼ -7%	▼ -8%
Q2'15	1.57	1.76	1.29	26	61.5
Q2'14	1.39	1.51	1.31	26	69.5
Q2'15 vs. Q2'14	▲ 13%	▲ 17%	▼ -2%	0%	▼ -12%

A company's earnings outlook plays a major part in any investment decision. S&P Capital IQ organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years, as well as how those earnings estimates have changed over time. Note that the information provided in relation to consensus estimates is not intended to predict actual results and should not be taken as a reliable indicator of future performance.

Wall Street Consensus Opinion

BUY/HOLD

Companies Offering Coverage

- Over 30 firms follow this stock; not all firms are displayed.
- Arete Research Services LLP
 - Argus Research Company
 - B. Riley Caris
 - BMO Capital Markets, Canadian Equity Research
 - BofA Merrill Lynch
 - CLSA
 - Cleveland Research Company
 - Cowen and Company, LLC
 - Credit Suisse
 - Deutsche Bank
 - Drexel Hamilton
 - Gleacher & Company, Inc.
 - Goldman Sachs
 - ISI Group Inc.
 - JP Morgan
 - Jefferies LLC
 - Macquarie Research
 - Morgan Stanley
 - Morningstar Inc.
 - Needham & Company
 - Nomura Securities Co. Ltd.
 - Pacific Crest Securities
 - Piper Jaffray Companies
 - RBC Capital Markets
 - Raymond James & Associates
 - Robert W. Baird & Co.
 - Sanford C. Bernstein & Co., Inc.
 - Sterne Agee & Leach Inc.
 - Stifel, Nicolaus & Co., Inc.
 - Summit Research Partners, LLC

Wall Street Consensus vs. Performance

For fiscal year 2014, analysts estimate that SNDK will earn US\$ 6.08. For the 1st quarter of fiscal year 2014, SNDK announced earnings per share of US\$ 1.14, representing 19% of the total annual estimate. For fiscal year 2015, analysts estimate that SNDK's earnings per share will grow by 9% to US\$ 6.60.

Glossary

S&P Capital IQ STARS

Since January 1, 1987, S&P Capital IQ Equity Research has ranked a universe of U.S. common stocks, ADRs (American Depositary Receipts), and ADSs (American Depositary Shares) based on a given equity's potential for future performance. Similarly, S&P Capital IQ Equity Research has ranked Asian and European equities since June 30, 2002. Under proprietary STARS (STock Appreciation Ranking System), S&P Capital IQ equity analysts rank equities according to their individual forecast of an equity's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350® Index or S&P 500® Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective. Data used to assist in determining the STARS ranking may be the result of the analyst's own models as well as internal proprietary models resulting from dynamic data inputs.

S&P Capital IQ Quality Ranking

(also known as **S&P Capital IQ Earnings & Dividend Rankings**) - Growth and stability of earnings and dividends are deemed key elements in establishing S&P Capital IQ's earnings and dividend rankings for common stocks, which are designed to encapsulate the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+ Highest	B Below Average
A High	B- Lower
A- Above Average	C Lowest
B+ Average	D In Reorganization
NR Not Ranked	

S&P Capital IQ EPS Estimates

S&P Capital IQ earnings per share (EPS) estimates reflect analyst projections of future EPS from continuing operations, and generally exclude various items that are viewed as special, non-recurring, or extraordinary. Also, S&P Capital IQ EPS estimates reflect either forecasts of S&P Capital IQ equity analysts; or, the consensus (average) EPS estimate, which are independently compiled by Capital IQ, a data provider to S&P Capital IQ Equity Research. Among the items typically excluded from EPS estimates are asset sale gains; impairment, restructuring or merger-related charges; legal and insurance settlements; in process research and development expenses; gains or losses on the extinguishment of debt; the cumulative effect of accounting changes; and earnings related to operations that have been classified by the company as discontinued. The inclusion of some items, such as stock option expense and recurring types of other charges, may vary, and depend on such factors as industry practice, analyst judgment, and the extent to which some types of data is disclosed by companies.

S&P Capital IQ Core Earnings

S&P Capital IQ Core Earnings is a uniform methodology for adjusting operating earnings by focusing on a company's after-tax earnings generated from its principal businesses. Included in the S&P Capital IQ definition are employee stock option grant expenses, pension costs, restructuring charges from ongoing operations, write-downs of depreciable or amortizable operating assets, purchased research and development, M&A related expenses and unrealized gains/losses from hedging activities. Excluded from the definition are pension gains, impairment of goodwill charges, gains or losses from asset sales, reversal of prior-year charges and provision from litigation or insurance settlements.

S&P Capital IQ 12-Month Target Price

The S&P Capital IQ equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics, including S&P Capital IQ Fair Value.

S&P Capital IQ Equity Research

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Abbreviations Used in S&P Capital IQ Equity Research Reports

CAGR - Compound Annual Growth Rate
CAPEX - Capital Expenditures
CY - Calendar Year
DCF - Discounted Cash Flow
DDM - Dividend Discount Model

EBIT - Earnings Before Interest and Taxes
EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortization
EPS - Earnings Per Share
EV - Enterprise Value
FCF - Free Cash Flow
FFO - Funds From Operations
FY - Fiscal Year
P/E - Price/Earnings
P/NAV - Price to Net Asset Value
PEG Ratio - P/E-to-Growth Ratio
PV - Present Value
R&D - Research & Development
ROCE - Return on Capital Employed
ROE - Return on Equity
ROI - Return on Investment
ROIC - Return on Invested Capital
ROA - Return on Assets
SG&A - Selling, General & Administrative Expenses
SOTP - Sum-of-The-Parts
WACC - Weighted Average Cost of Capital

Dividends on American Depositary Receipts (ADRs) and American Depositary Shares (ADSs) are net of taxes (paid in the country of origin).

S&P Capital IQ Qualitative Risk Assessment

Reflects an S&P Capital IQ equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The S&P Capital IQ Qualitative Risk Assessment is a relative ranking to the S&P U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices. For an ETF this reflects on a capitalization-weighted basis, the average qualitative risk assessment assigned to holdings of the fund.

STARS Ranking system and definition:

★★★★★ 5-STARS (Strong Buy):

Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★☆ 4-STARS (Buy):

Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

★★★☆☆ 3-STARS (Hold):

Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

★★★☆☆ 2-STARS (Sell):

Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain.

★★☆☆☆ 1-STAR (Strong Sell):

Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

Relevant benchmarks:

In North America, the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are the S&P Europe 350 Index and the S&P Asia 50 Index, respectively.

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STARS Stock Reports:

S&P Capital IQ Global STARS Distribution as of March 31, 2014

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Buy	35.4%	35.8%	41.9%	36.2%
Hold	52.3%	43.3%	54.3%	51.0%
Sell	12.3%	20.9%	3.8%	12.8%
Total	100%	100%	100%	100%

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