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SANDISK SEEKS TO PROTECT ITS PATENT RIGHTS IN CHINA

CHINA, Beijing, November, 2008 – SanDisk Corporation (NASDAQ: SNDK), the inventor and holder of patents in the US, China and other countries, for the USB Flash Memory Drive technology has filed an administrative lawsuit to protect its patent rights in China.

SanDisk is appealing to the court to overturn a decision made, after more than four years, by the State Patent Reexamination Board (“PRB”) in which the PRB refused to invalidate a later-filed patent also directed to USB Flash Memory Drive technology issued to the Shenzhen-based Netac Technology Co Ltd.

Like all original innovators and inventors, SanDisk is dependent on and is committed to protecting its intellectual property rights around the world.

The persons who invented the USB Flash Memory Drive were Messrs Ban and Moran in Israel. These inventors founded M-Systems Flash Disk Pioneers Ltd. of Israel and were pioneers of this technology during their tenure at M-Systems, which has since been acquired by SanDisk. M-Systems owns many earlier-dated patents for standardized flash controller, flash memory systems providing both BIOS and user storage capability, and a flash file system.

Their innovation, which created the USB Flash Memory Drive device, describes a new architecture and method that uses a standard USB interface to connect a re-writable flash memory housed in a compact, portable external device to a host such as computer that has a USB port. The device may be plugged into and removed from the USB port easily and data and programs could be quickly stored and retrieved from the device.

The first patent application in the world for the USB Flash Memory Drive was filed in the United States on April 5, 1999, and granted on November 14, 2000 as U.S. Patent No. 6,148,354. SanDisk is seeking to eliminate the existence of later-filed, invalid patents directed to the USB Flash memory devices and the potential disputes that can arise on the basis of such patents.

The assignee of the first patent, M-Systems Flash Disk Pioneers Ltd. of Israel, is now a wholly owned subsidiary of SanDisk and has been renamed SanDisk IL Ltd.

To protect its patent rights, on June 6th 2003, M-Systems (now SanDisk) applied to China’s PRB to have Netac’s later-filed patent invalidated.

(more)

The patent which SanDisk applied to invalidate [Patent No. ZL 99117225.6] was first filed by Deng Guoshun and Cheng Xiaohua from the Shenzhen firm Netac on November 14, 1999, seven months after M-Systems' application priority date. Netac filed its application in China.

Over 135 member countries worldwide, including China, have agreed by International Convention that the effective filing date for a patent filed in each of these countries will be treated the same as the first filing in any of these member countries. Thus, SanDisk's effective filing date in China is the date of its prior filing in the US, which was seven months' before Netac's filing date.

After more than four years, the PRB announced its decision not to invalidate Netac's patent in January 2008.

In its decision, the PRB acknowledges that SanDisk filed its patent for a USB Flash Memory Drive before Netac. The PRB, however, contends that the earlier-filed M-Systems patent does not describe exactly the USB Flash Memory Device that Netac's claims recite. SanDisk disagrees.

SanDisk maintains that according to international convention, practice and China's patent laws, the basic principle that the first to file should be protected. Therefore, Sandisk's application to China's PRB to revoke Netac's patent in China should have been successful.

After receiving notice of the PRB's decision, the only channel for SanDisk to protect its patent rights was to appeal for a reversal of the decision through an administrative lawsuit in the court with jurisdiction – the Beijing People's No. 1 Intermediate Court.

The case will be heard in the Beijing No. 1 People's Intermediate Court on November 13th 2008.

About SanDisk

SanDisk Corporation, the inventor and world's largest supplier of flash storage cards, is a global leader in flash memory – from research, manufacturing and product design to consumer branding and retail distribution. SanDisk's product portfolio includes flash memory cards for mobile phones, digital cameras and camcorders; digital audio/video players; USB flash drives for consumers and the enterprise; embedded memory for mobile devices; and solid state drives for computers. SanDisk (www.sandisk.com/corporate) is a Silicon Valley-based S&P 500 company, with more than half its sales outside the United States.

SanDisk is a high technology company, headquartered in California, USA. It designs, develops, manufactures and markets highly advanced, cost-effective flash memory-based portable storage devices for a wide variety of enterprise, professional

and consumer electronics applications around the world. Its products are based upon its patented, high-capacity flash memory and controller technology.

SanDisk is the original inventor and the world's premier supplier of flash storage cards. It pioneered the USB Flash Memory Drive technology and is the inventor of Multi-Level Cell (MLC) NAND flash. SanDisk also provides high-capacity embedded flash drives for tens of millions of mobile handsets and mobile flash cards to hundreds of millions of smart phones and multimedia-capable handsets.

Since 1988, SanDisk has focused considerable resources and invested considerable efforts on research, development and innovation. It is an industry leader in creating new consumer products and product categories and in developing cutting-edge solutions with advanced flash management technologies for OEM customers.

In China, SanDisk has invested US\$100 million in a large modern manufacturing and R&D plant in Shanghai. Its products are popular with consumers in China and many of China's manufacturers of mobile phones and other digital devices.

Images of SanDisk products are available at <http://www.sandisk.com/corporate/media.asp>
SanDisk's web site/home page address: <http://www.sandisk.com>

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This press release contains certain forward-looking statements, including expectations for new product introductions, applications, markets, and customers 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: market demand for our products may grow more slowly than our expectations or there may be a slower adoption rate for these products in new markets that we are targeting, our products may not perform as expected or may not be available at the prices, in the regions, in the capacities or at the time expected and the other risks detailed from time-to-time in our Securities and Exchange Commission filings and reports, including, but not limited to, our Form 10-K and our quarterly reports on Form 10-Q. We do not intend to update the information contained in this press release.