



FOR IMMEDIATE RELEASE

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**AEHR TEST SYSTEMS REPORTS FIRST QUARTER  
RESULTS FOR FISCAL 2004**

**Fremont, CA (September 24, 2003)** -- Aehr Test Systems (Nasdaq: AEHR) today announced financial results for the first quarter ended August 31, 2003.

Net sales for the first quarter of fiscal 2004 were \$4.2 million, a 19 percent increase from \$3.5 million for the first quarter of fiscal 2003. First quarter fiscal 2004 net loss was \$808,000, or \$0.11 per share, compared with a net loss of \$887,000, or \$0.12 per share, in the same quarter of fiscal 2003.

“Quarterly net sales continued to improve on a year-over-year basis as the first quarter marked the fifth consecutive quarter of net sales growth compared to the year-ago period,” said Rhea Posedel, chairman and chief executive officer of Aehr Test. “We are very pleased that first quarter net sales met our expectations despite the impact of this protracted industry downturn.”

“Our major highlight for the quarter was the receipt of an order for the FOX<sup>TM</sup> full-wafer test and burn-in system,” said C.J. Meurell, president and chief operating officer of Aehr Test. “A leading Japanese manufacturer of digital document products, Fuji Xerox is purchasing the FOX system to burn-in their VCSELs (Vertical Cavity Surface Emitting Lasers), which represent the next generation in semiconductor laser diodes. Unlike previous technologies, the FOX system uniquely enables testing of the VCSELs while still in wafer form, thereby eliminating several process steps and yielding significant cost savings. We are encouraged by this order and believe it indicates that our FOX family of products is being increasingly known and accepted in the marketplace.”

As of August 31, 2003, the Company had no debt outstanding. Cash, short-term investments and long-term investments increased to \$12.4 million, up from \$11.4 million at the end of fiscal 2003. The Company ended the first quarter with shareholders’ equity of \$24.5 million, or \$3.42 per share.

“While we believe the beginnings of a recovery are underway, sales visibility is still poor,” commented Posedel. “Although a number of our customers are operating at or near capacity, it seems many are reluctant to add capacity until they are sure their order pipeline is solid for the next six months. Additionally, since a significant amount of our backlog is attributed to the FOX products which are scheduled to ship in the second half of the current fiscal year, we expect net sales in the second fiscal quarter to be sequentially lower than those in the quarter just reported.”

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Posedel concluded, "Our growth strategy is to expand our addressable market and create additional revenue opportunities by investing in the development of new FOX products and enhancements to core burn-in systems. Combined with maintaining tight control over our expense structure, we believe that this strategy will enable us to return to profitability over the long term."

### **About Aehr Test Systems**

Headquartered in Fremont, California, Aehr Test Systems is a leading worldwide provider of systems for burning-in and testing DRAM and logic integrated circuits and has an installed base of more than 2,000 systems worldwide. Aehr Test has developed and introduced several innovative products, including the FOX, MTX, MAX3 and MAX4 systems and the DiePak<sup>®</sup> carrier. The FOX system is a full wafer contact test and burn-in system. The MTX system is a massively parallel test system designed to reduce the cost of memory testing by performing both test and burn-in on thousands of devices simultaneously. The MAX system can effectively burn-in and functionally test complex devices, such as digital signal processors, microprocessors, microcontrollers and systems-on-a-chip. The DiePak carrier is a reusable, temporary package that enables IC manufacturers to perform cost-effective final test and burn-in of bare die. For more information, please visit the Company's website at [www.aehr.com](http://www.aehr.com).

### **Safe Harbor Statement**

This release contains forward-looking statements that involve risks and uncertainties relating to projections regarding industry growth and customer demand for Aehr Test's products. Actual results may vary from projected results. These risks and uncertainties include, without limitation, economic conditions in Asia and elsewhere, world events, acceptance by customers of the FOX, MTX, MAX and DiePak technologies, the ability of the Company to gain business in China, the Company's development and manufacture of a commercially successful wafer-level burn-in system, and the potential emergence of alternative technologies, which could adversely affect demand for Aehr Test's products in fiscal year 2004. See Aehr Test's recent 10-K report filed with the SEC for a more detailed description of the risks facing our business. The Company disclaims any obligation to update information contained in any forward-looking statement to reflect events or circumstances occurring after the date of this press release.

**{Financial Tables to Follow}**

**AEHR TEST SYSTEMS AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Operations**  
(in thousands, except per share data)  
(Unaudited)

	Three Months Ended August 31,	
	2003	2002
Net sales	\$4,169	\$3,508
Cost of sales	2,543	1,949
Gross profit	1,626	1,559
Operating expenses:		
Selling, general and administrative	1,514	1,711
Research and development	1,219	961
Total operating expenses	2,733	2,672
Loss from operations	(1,107)	(1,113)
Interest income	236	83
Other income, net	63	104
Loss before income taxes	(808)	(926)
Income tax benefit	--	(39)
Net loss	\$ (808)	\$ (887)
Net loss per share		
Basic	\$ (0.11)	\$ (0.12)
Diluted	\$ (0.11)	\$ (0.12)
Shares used in per share calculations:		
Basic	7,157	7,184
Diluted	7,157	7,184

**AEHR TEST SYSTEMS AND SUBSIDIARIES**  
**Condensed Consolidated Balance Sheets**  
(in thousands, except per share data)

	August 31, 2003 (Unaudited)	May 31, 2003
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 6,104	\$ 8,362
Short-term investments	4,965	2,429
Accounts receivable	3,106	2,889
Inventories	8,493	9,247
Prepaid expenses and other	494	1,640
Total current assets	23,162	24,567
Property and equipment, net	1,450	1,515
Long-term investments	1,331	607
Other assets, net	1,538	1,558
Total assets	\$27,481	\$28,247
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 751	\$ 748
Accrued expenses	1,843	1,739
Deferred revenue	114	106
Total current liabilities	2,708	2,593
Deferred revenue	30	30
Deferred lease commitment	289	279
Total liabilities	3,027	2,902
Shareholders' equity:		
Common stock, \$.01 par value outstanding:		
7,157 and 7,157 shares at August 31, 2003 and May 31, 2003, respectively	72	72
Additional paid-in capital	36,364	36,364
Net unrealized gain (loss) on investments	(17)	2
Cumulative translation adjustment	1,455	1,519
Accumulated deficit	(13,420)	(12,612)
Total shareholders' equity	24,454	25,345
Total liabilities and shareholders' equity	\$27,481	\$28,247