



FOR IMMEDIATE RELEASE

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**AEHR TEST SYSTEMS REPORTS  
FOURTH QUARTER AND FISCAL 2001 RESULTS**

**Fremont, CA – July 19, 2001 --** Aehr Test Systems (Nasdaq: AEHR) today announced financial results for the fourth quarter and fiscal year ended May 31, 2001, using both the historical accounting method and the application of the Securities and Exchange Commission's Staff Accounting Bulletin 101 (SAB 101).

Using the historical method, now referred to as pro forma, net sales for the fourth quarter ended May 31, 2001 were \$3.8 million, a decrease of 48 percent from net sales of \$7.2 million in the same quarter of the prior fiscal year. The net loss for the quarter was \$316,000, or \$0.04 per share, compared with a net loss of \$423,000, or \$0.06 per share, in the same quarter of the prior year. The Company reported gross margin of 46 percent for the quarter, compared with gross margin of 34 percent in the same quarter a year ago.

Pro forma net sales for the fiscal year ended May 31, 2001, were \$29.1 million, an increase of 19 percent over net sales of \$24.5 million in fiscal 2000. Pro forma net income for the fiscal year was \$200,000, or \$0.03 per share, compared with a net loss of \$2.6 million, or \$0.38 per share, in the prior year.

SAB 101, which became effective for the Company in the fourth quarter of fiscal 2001, retroactive to June 1, 2000, sets forth guidelines on the timing of revenue recognition based upon factors such as passage of title, installation, payment and customer acceptance. Prior to SAB 101, our revenue was generally recognized upon shipment.

Under the SAB 101, net sales for the fourth quarter ended May 31, 2001 were \$4.4 million. Net income for the quarter was \$19,000 or \$0.00 per share. Net sales for the fiscal year ended May 31, 2001, were \$31.0 million. Net loss for the fiscal year was \$141,000, or \$0.02 per share, which includes a charge of \$1.6 million for the cumulative effect of applying SAB 101 for revenue recognition. This charge represents the reduction of net profit of shipments made and recorded as revenue in years prior to fiscal 2001, after the application of SAB 101. The net income for fiscal year 2001 before that charge was \$1.5 million, or \$0.21 per share. As of May

31, 2001, cash and short-term investments totaled \$14.2 million, and book value was \$4.89 per share. Order backlog was \$2.3 million at the end of fiscal 2001.

“We are pleased to report pro forma profitability for our fiscal year 2001, in light of the deepening industry-wide downturn,” said Rhea Posedel, chairman and chief executive officer of Aehr Test Systems. “As we discussed during the year, we implemented cost reduction programs in order to control spending, while maintaining our research and development efforts.”

“We are very encouraged by our first wafer-level burn-in order announced in June,” stated C.J. Meurell, president and chief operating officer of Aehr Test Systems. “The order was for a full-wafer contactor for laser diodes, which will be used in a wafer-level burn-in system, and it represents the first phase of a development partnership between Aehr Test and a manufacturer of VCSELs, or vertical cavity surface emitting lasers. At Semicon West this week, we are introducing our FOX™ Full Wafer Contact System. The FOX system is applicable to a wide range of semiconductor wafers, and it is designed to make contact with all pads of a wafer simultaneously, thus enabling full wafer burn-in and parallel test.”

Meurell continued, “We are also introducing at Semicon West the high-power version of our MAX3 Dynamic Burn-in System. The new MAX3-HP system offers 12 KW power dissipation, and deep vector capability with monitored burn-in for functionally testing devices that use the JTAG testing methodology, which is now being embedded in higher power components.”

“These new products provide Aehr Test with the opportunity to expand into new markets. However, the semiconductor equipment market is down more sharply than we have seen historically and we do not expect Aehr Test's business to improve for at least two more quarters. Looking to our first quarter of fiscal 2002, on a pro forma basis, we expect our net sales to decline somewhat from the fourth quarter of fiscal 2001, and we expect our gross profit margin to be similar to that of the first quarter of fiscal 2001. Despite the industry-wide slowdown, we continue to be optimistic about the long-term future of Aehr Test Systems and the semiconductor capital equipment market,” concluded Posedel.

### **About Aehr Test Systems**

Headquartered in Fremont, California, Aehr Test Systems is a leading provider of systems for burning-in and testing DRAMs 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 and MAX systems and the DiePak® carrier. The FOX is a full wafer contact burn-in and test system. The MTX 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 can effectively burn-in and functionally test sophisticated 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.

**Safe Harbor Statement**

*This release contains forward-looking statements that involve risks and uncertainties relating to projections regarding industry growth and customer demand for the Company's products. Actual results may vary from projected results. These risks and uncertainties include economic conditions in Asia and elsewhere, acceptance by customers of the FOX, MTX, MAX and DiePak technologies, 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 the Company's products in fiscal year 2002. See the Company's 10-K and 10-Q reports filed with the SEC for additional risks affecting the Company.*

**{Financial Tables to Follow}**

**AEHR TEST SYSTEMS AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Operations - SAB101**  
(in thousands, except per share data)  
(Unaudited)

	Three Months Ended May 31, 2001	Year Ended May 31, 2001
Net sales	\$ 4,367	\$ 31,039
Cost of sales	2,093	17,923
Gross profit	<u>2,274</u>	<u>13,116</u>
Operating expenses:		
Selling, general and administrative	1,617	7,262
Research and development	1,116	4,982
Research and development cost reimbursement - DARPA	<u>--</u>	<u>(600)</u>
Total operating expenses	<u>2,733</u>	<u>11,644</u>
Income (loss) from operations	(459)	1,472
Interest income	232	971
Interest expense	--	(7)
Other income, net	<u>188</u>	<u>98</u>
Income (loss) before income taxes	(39)	2,534
Income tax expense (benefit)	<u>(58)</u>	<u>1,046</u>
Net income (loss) before cumulative effect of change in accounting principle	19	1,488
Cumulative effect of change in accounting principle - net of tax	<u>--</u>	<u>(1,629)</u>
Net income (loss)	<u>\$ 19</u>	<u>\$ (141)</u>
Net income per share before cumulative effect (basic)	\$ 0.00	\$ 0.21
Net loss per share (basic)	\$ 0.00	\$ (0.02)
Net income (loss) per share before cumulative effect (diluted)	\$ 0.00	\$ 0.21
Net loss per share (diluted)	\$ 0.00	\$ (0.02)
Shares used in per share calculations:		
Basic	7,115	7,074
Diluted	7,125	7,179

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

	Three Months Ended		Year Ended	
	May 31,		May 31,	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Net sales	\$ 3,766	\$ 7,211	\$ 29,139	\$ 24,505
Cost of sales	2,018	4,735	18,024	17,267
Gross profit	<u>1,748</u>	<u>2,476</u>	<u>11,115</u>	<u>7,238</u>
Operating expenses:				
Selling, general and administrative	1,615	2,056	7,274	7,930
Research and development	1,116	1,405	4,982	5,367
Research and development cost reimbursement - DARPA	<u>--</u>	<u>--</u>	<u>(600)</u>	<u>(866)</u>
Total operating expenses	<u>2,731</u>	<u>3,461</u>	<u>11,656</u>	<u>12,431</u>
Loss from operations	(983)	(985)	(541)	(5,193)
Interest income	232	211	971	985
Interest expense	--	(2)	(7)	(11)
Other income, net	<u>188</u>	<u>241</u>	<u>98</u>	<u>498</u>
Income (loss) before income taxes	(563)	(535)	521	(3,721)
Income tax expense (benefit)	<u>(247)</u>	<u>(112)</u>	<u>321</u>	<u>(1,116)</u>
Net income (loss)	<u>\$ (316)</u>	<u>\$ (423)</u>	<u>\$ 200</u>	<u>\$ (2,605)</u>
Net income (loss) per share (basic)	\$ (0.04)	\$ (0.06)	\$ 0.03	\$ (0.38)
Net income (loss) per share (diluted)	\$ (0.04)	\$ (0.06)	\$ 0.03	\$ (0.38)
Shares used in per share calculations:				
Basic	7,115	6,887	7,074	6,813
Diluted	7,115	6,887	7,179	6,813

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

	May 31, 2001	May 31, 2000
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 10,391	\$ 8,323
Short-term investments	3,764	7,365
Accounts receivable	5,751	6,294
Inventories	10,125	11,183
Prepaid expenses and other	3,321	3,277
	<u>33,352</u>	<u>36,442</u>
Total current assets	33,352	36,442
Property and equipment, net	2,103	2,613
Long-term investments	2,267	580
Other assets, net	1,870	1,094
	<u>1,870</u>	<u>1,094</u>
Total assets	<u>\$ 39,592</u>	<u>\$ 40,729</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$ --	\$ 143
Accounts payable	1,213	2,989
Accrued expenses	3,336	2,873
Deferred revenue	51	37
	<u>4,600</u>	<u>6,042</u>
Total current liabilities	4,600	6,042
Long-term debt, net of current portion	--	297
Deferred revenue	39	39
Deferred lease commitment	146	46
	<u>146</u>	<u>46</u>
Total liabilities	<u>4,785</u>	<u>6,424</u>
Shareholders' equity:		
Common stock, \$.01 par value outstanding:		
7,116 shares and 6,906 at May 31, 2001 and May 31, 2000, respectively	71	69
Additional paid-in capital	36,134	35,332
Accumulated deficit	(2,801)	(2,660)
Notes receivable from shareholders	(84)	--
Net unrealized gain (loss) on investments	19	(13)
Cumulative translation adjustment	1,468	1,577
	<u>34,807</u>	<u>34,305</u>
Total shareholders' equity	34,807	34,305
Total liabilities and shareholders' equity	<u>\$ 39,592</u>	<u>\$ 40,729</u>

*For more information on Aehr Test Systems, via fax at no cost, dial 800-PRO-INFO  
(732-544-2850 outside the U.S.), ticker symbol: AEHR*