



FOR IMMEDIATE RELEASE

Contact:

FRB | Weber Shandwick

Christina Carrabino

(415) 986-1591

**AEHR TEST SYSTEMS REPORTS FOURTH QUARTER
AND FISCAL 2002 RESULTS**

Fremont, CA – July 23, 2002 -- Aehr Test Systems (Nasdaq: AEHR) today announced financial results for the fourth quarter and fiscal year ended May 31, 2002.

Net sales for the quarter were \$3.5 million, a decrease of 19 percent from net sales of \$4.4 million in the same quarter of the prior fiscal year. Net loss for the quarter was \$3.1 million or \$0.43 per share, compared with net income of \$19,000, or \$0.00 per share, in the same quarter of the prior year. The net loss for the fourth quarter of fiscal 2002 includes a \$2.5 million, or \$0.34 per share, non-cash charge associated with increasing the valuation allowance against deferred tax assets. SFAS 109 requires the Company to evaluate the uncertainty of utilizing the deferred tax assets. Excluding the above charge, the net loss for the quarter would have been \$664,000, or \$0.09 per share.

As of May 31, 2002, cash, short-term investments and long-term investments totaled \$15.5 million, and book value was \$4.16 per share. The Company's long-term investments consist of interest bearing securities with maturities of less than 18 months. The Company's order backlog at May 31, 2002 was \$3.9 million, up from \$2.3 million one year earlier.

“We have continued to invest strongly in new product development, despite the continued industry downturn,” said Rhea Posedel, chairman and chief executive officer of Aehr Test Systems. “We are pleased with the accomplishments of our FOX™ full wafer contact solutions. We recently announced an order for the engineering development of a full wafer contact system for parallel BIST testing of 200 mm and 300 mm wafers. This order expands our FOX family of products and enables us to move into new markets.”

Net sales for the year ended May 31, 2002 were \$12.6 million, a decrease of 60 percent from net sales of \$31.0 million in fiscal 2001. Net loss for the year ended May 31, 2002 was \$5.3 million, or \$0.74 per share. Net loss for fiscal 2002 included the non-cash charge of \$2.5 million related to the deferred tax valuation allowance discussed above. Excluding that charge, the net loss for fiscal 2002 would have been \$2.8 million, or \$0.39

per share. Net loss for fiscal 2001 was \$141,000, or \$0.02 per share, which included a charge of \$1.6 million for the cumulative effect of applying the Securities and Exchange Commission's Staff Accountant Bulletin 101 for revenue recognition. The income for fiscal 2001 before that charge was \$1.5 million, or \$0.21 per share.

“We did an excellent job during the past fiscal year of developing new products, improving our gross margin and keeping our balance sheet strong,” said C.J. Meurell, president and chief operating officer of Aehr Test Systems. “We are very pleased with our recent completion of the development and successful qualification of our FOX full wafer burn-in system for VCSELS. We displayed our FOX full wafer contact burn-in and test system for VCSELS last week at Semicon West, and we were encouraged by the positive reaction to this system.”

Meurell continued, “In addition to developing and introducing new products, we have strengthened our market position in China by arranging for ZMC Technologies to be our sales representative. Aehr Test's advanced test and burn-in systems are an excellent match for China's emerging semiconductor backend operations.”

“The semiconductor equipment industry has not yet recovered from its recent dramatic downturn. Although we believe there will be a gradual recovery over the next few quarters, there is a good deal of uncertainty as to the timing and the rate of the expected recovery. For the first quarter of fiscal 2003, we expect to reduce our operating loss somewhat compared to that of the quarter just ended. We continue to remain optimistic about the outlook for our FOX solutions and the long-term future of both Aehr Test and the semiconductor capital equipment market,” stated Posedel.

About Aehr Test Systems

Headquartered in Fremont, California, Aehr Test Systems is a leading 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 and MAX systems and the DiePak[®] carrier. The FOX system is a full wafer contact burn-in and test 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 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 Aehr Test's products. Actual results may vary from projected results. These risks and uncertainties include 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 2003. See Aehr Test's 10-K and recent 10-Q reports filed with the SEC for additional risks affecting Aehr Test.

{Financial Tables to Follow}

AEHR TEST SYSTEMS AND SUBSIDIARIES
Condensed Consolidated Statements of Operations

(in thousands, except per share data)

	Three Months Ended May 31, (Unaudited)		Year Ended May 31,	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Net sales	\$ 3,522	\$ 4,367	\$ 12,568	\$ 31,039
Cost of sales	1,876	2,093	6,488	17,923
Gross profit	<u>1,646</u>	<u>2,274</u>	<u>6,080</u>	<u>13,116</u>
Operating expenses:				
Selling, general and administrative	1,733	1,617	6,547	7,262
Research and development	1,105	1,116	4,036	4,982
Research and development cost reimbursement - DARPA	<u>--</u>	<u>--</u>	<u>--</u>	<u>(600)</u>
Total operating expenses	<u>2,838</u>	<u>2,733</u>	<u>10,583</u>	<u>11,644</u>
Income (loss) from operations	(1,192)	(459)	(4,503)	1,472
Interest income	97	232	520	971
Interest expense	--	--	--	(7)
Other income (expense), net	<u>49</u>	<u>188</u>	<u>(43)</u>	<u>98</u>
Income (loss) before income taxes	(1,046)	(39)	(4,026)	2,534
Income tax expense (benefit)	<u>2,076</u>	<u>(58)</u>	<u>1,241</u>	<u>1,046</u>
Income (loss) before cumulative effect of change in accounting principle	(3,122)	19	(5,267)	1,488
Cumulative effect of change in accounting principle - net of tax	<u>--</u>	<u>--</u>	<u>--</u>	<u>(1,629)</u>
Net income (loss)	<u>\$ (3,122)</u>	<u>\$ 19</u>	<u>\$ (5,267)</u>	<u>\$ (141)</u>
Income (loss) before cumulative effect				
Basic	\$ (0.43)	\$ 0.00	\$ (0.74)	\$ 0.21
Diluted	\$ (0.43)	\$ 0.00	\$ (0.74)	\$ 0.21
Net income (loss) per share				
Basic	\$ (0.43)	\$ 0.00	\$ (0.74)	\$ (0.02)
Diluted	\$ (0.43)	\$ 0.00	\$ (0.74)	\$ (0.02)
Shares used in per share calculations:				
Basic	7,182	7,115	7,151	7,074
Diluted	7,182	7,125	7,151	7,179

-more-

AEHR TEST SYSTEMS AND SUBSIDIARIES**Condensed Consolidated Balance Sheets**

(in thousands, except per share data)

	May 31, 2002	May 31, 2001
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,485	\$10,391
Short-term investments	8,003	3,764
Accounts receivable	3,132	5,751
Inventories	8,633	10,125
Prepaid expenses and other	2,373	3,321
	<hr/>	<hr/>
Total current assets	29,626	33,352
Property and equipment, net	2,356	2,103
Long-term investments	--	2,267
Other assets, net	1,836	1,870
	<hr/>	<hr/>
Total assets	<u>\$33,818</u>	<u>\$39,592</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 874	\$ 1,213
Accrued expenses	2,260	3,336
Deferred revenue	540	51
	<hr/>	<hr/>
Total current liabilities	3,674	4,600
Deferred revenue	35	39
Deferred lease commitment	224	146
	<hr/>	<hr/>
Total liabilities	3,933	4,785
Shareholders' equity:		
Common stock, \$.01 par value outstanding:		
7,184 and 7,116 shares at May 31, 2002 and May 31, 2001, respectively	72	71
Additional paid-in capital	36,387	36,134
Notes receivable from shareholders	--	(84)
Net unrealized gain on investments	2	19
Cumulative translation adjustment	1,492	1,468
Accumulated deficit	(8,068)	(2,801)
	<hr/>	<hr/>
Total shareholders' equity	29,885	34,807
	<hr/>	<hr/>
Total liabilities and shareholders' equity	<u>\$33,818</u>	<u>\$39,592</u>