



FOR IMMEDIATE RELEASE

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**AEHR TEST SYSTEMS REPORTS FINANCIAL RESULTS
FOR FOURTH QUARTER FISCAL 2012**

Fremont, CA (July 19, 2012) - Aehr Test Systems (Nasdaq: AEHR), a worldwide supplier of semiconductor test and burn-in equipment, today announced financial results for the fourth quarter and fiscal year ended May 31, 2012.

Net sales were \$4.7 million in the fourth quarter of fiscal 2012, up 64% from \$2.9 million in the preceding quarter. Aehr Test reported a net loss of \$0.8 million, or \$0.09 per diluted share, in the fourth quarter of fiscal 2012, an improvement of \$0.6 million when compared with a net loss of \$1.4 million, or \$0.15 per diluted share, in the third quarter of fiscal 2012.

Net sales for fiscal year 2012 were \$15.5 million, an increase of 13% compared with net sales of \$13.7 million in fiscal 2011. Net loss for fiscal 2012 was \$3.4 million, or \$0.38 per diluted share, flat with a net loss of \$3.4 million, or \$0.38 per diluted share, in fiscal 2011. As of May 31, 2012, the company's backlog was \$7.3 million, compared with \$5.8 million at May 31, 2011.

Commenting on the fourth quarter of fiscal 2012, Gayn Erickson, President and CEO of Aehr Test Systems, said, "We are very pleased with the progress that we are making in growing our business. The quarter represented our highest quarterly product sales in over three years. The headway that we are making points to the growing competitiveness and value provided by our ABTS™ and FOX™ families of products. During the quarter we received key follow-on orders, including a FOX-1 system to a leading flash memory manufacturer and an advanced ABTS high-power burn-in system to a leading logic, analog and mixed signal semiconductor manufacturer. Additionally, in the past two weeks we announced an order for a FOX-15 wafer-level burn-in system from a leading communication equipment manufacturer, as well as a follow-on ABTS order from a leading test house in Taiwan.

"We enter fiscal 2013 on a good footing with our highest backlog in over three years," continued Erickson. "We expect to achieve a profit and become cash flow positive by the end of the 2012 calendar year. We continue to focus on growing our company, while managing our cost structure to ensure future profitability."

Management Conference Call

Management of Aehr Test will host a conference call and webcast today, July 19, 2012 at 5:00 p.m. Eastern (2:00 p.m. Pacific) to discuss the Company's fourth quarter fiscal 2012 operating results. The conference call will be accessible live via the internet at www.aehr.com. Please go to the website at least 15 minutes before start time to register, download and install any necessary audio software. A replay of the webcast will be available at www.aehr.com for 90 days.

About Aehr Test Systems

Headquartered in Fremont, California, Aehr Test Systems is a worldwide provider of test systems for burning-in and testing logic and memory integrated circuits and has an installed base of more than 2,500 systems worldwide. Increased quality and reliability needs of the Automotive and Mobility integrated circuit markets are driving additional test requirements, capacity needs and opportunities for Aehr Test products in package and wafer level test. Aehr Test has developed and introduced several innovative products, including the ABTS and FOX family of test and burn-in systems and the DiePak® carrier. The ABTS system is used in production and qualification testing of packaged parts for both low-power and high-power logic as well as all common types of memory devices. The FOX system is a full wafer contact test and burn-in system used for burn-in and functional test of complex devices, such as leading-edge memories, 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.

Safe Harbor Statement

This release contains forward-looking statements that involve risks and uncertainties relating to projections regarding revenues, net sales and customer demand and acceptance of Aehr Test's products. Actual results may vary from projected results. These risks and uncertainties include without limitation, world economic conditions, the state of the semiconductor equipment market, the Company's ability to maintain sufficient cash to support operations, acceptance by customers of Aehr Test's technologies, acceptance by customers of the systems shipped upon receipt of a purchase order, the ability of new products to meet customer needs or perform as described and the Company's ability to successfully market a wafer-level test and burn-in system. See Aehr Test's recent 10-K, 10-Q and other reports from time to time filed with the U.S. Securities and Exchange Commission 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			Year Ended	
	May 31, 2012	February 29, 2012	May 31, 2011	May 31, 2012	May 31, 2011
Net sales	\$ 4,676	\$ 2,855	\$ 3,749	\$ 15,521	\$ 13,737
Cost of sales	2,507	1,747	2,140	9,314	8,225
Gross profit	2,169	1,108	1,609	6,207	5,512
Operating expenses:					
Selling, general and administrative	1,872	1,525	1,465	6,526	5,964
Research and development	1,134	933	1,190	4,188	4,567
Gain on bankruptcy claim	-	-	(677)	-	(832)
Total operating expenses	3,006	2,458	1,978	10,714	9,699
Loss from operations	(837)	(1,350)	(369)	(4,507)	(4,187)
Interest income	-	-	-	-	3
Interest expense	4	-	-	4	-
Gain on sale of long-term investment	-	-	-	990	-
Other income, net	64	7	169	117	762
Loss before income tax expense (benefit)	(777)	(1,343)	(200)	(3,404)	(3,422)
Income tax expense (benefit)	2	18	(56)	(15)	(49)
Net loss	\$ (779)	\$ (1,361)	\$ (144)	\$ (3,389)	\$ (3,373)
Net loss per share					
Basic	\$ (0.09)	\$ (0.15)	\$ (0.02)	\$ (0.38)	\$ (0.38)
Diluted	\$ (0.09)	\$ (0.15)	\$ (0.02)	\$ (0.38)	\$ (0.38)
Shares used in per share calculations:					
Basic	9,095	9,055	8,880	9,016	8,776
Diluted	9,095	9,055	8,880	9,016	8,776

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AEHR TEST SYSTEMS AND SUBSIDIARIES
Reconciliation of GAAP and Non-GAAP Results

(in thousands, except per share data)
(unaudited)

	Three Months Ended			Year Ended	
	May 31, 2012	February 29, 2012	May 31, 2011	May 31, 2012	May 31, 2011
GAAP net loss	\$ (779)	\$ (1,361)	\$ (144)	\$ (3,389)	\$ (3,373)
Gain on bankruptcy claim ¹	-	-	(677)	-	(832)
Gain on sale of long-term investment ²	-	-	-	(990)	-
Stock compensation expense	190	182	212	709	947
Non-GAAP net loss	<u>\$ (589)</u>	<u>\$ (1,179)</u>	<u>\$ (609)</u>	<u>\$ (3,670)</u>	<u>\$ (3,258)</u>
GAAP net loss per diluted share	<u>\$ (0.09)</u>	<u>\$ (0.15)</u>	<u>\$ (0.02)</u>	<u>\$ (0.38)</u>	<u>\$ (0.38)</u>
Non-GAAP net loss per diluted share	<u>\$ (0.06)</u>	<u>\$ (0.13)</u>	<u>\$ (0.07)</u>	<u>\$ (0.41)</u>	<u>\$ (0.37)</u>
Shares used in diluted shares calculation	<u>9,095</u>	<u>9,055</u>	<u>8,880</u>	<u>9,016</u>	<u>8,776</u>

¹ The Company filed claims in the Spansion U.S. and Spansion Japan bankruptcy actions. In the first quarter of fiscal 2011, the Company's Japanese subsidiary received approximately \$155,000 in proceeds from the Spansion Japan bankruptcy claim and recorded the amount as a reduction of operating expenses. In the fourth quarter of fiscal 2011, the Company's Japanese subsidiary received approximately \$677,000 in proceeds from the Spansion Japan bankruptcy claim and recorded the amount as a reduction of operating expenses.

² During the first quarter of fiscal 2012, the Company sold its long-term investment in ESA Electronics PTE Ltd., resulting in a gain of \$990,000.

Non-GAAP net income is a non-GAAP measure and should not be considered a replacement for GAAP results. Non-GAAP net income is a financial measure the Company uses to evaluate the underlying results and operating performance of the business. The limitation of this measure is that it excludes items that impact the Company's current period net income. This limitation is best addressed by using this measure in combination with net income (the most comparable GAAP measure).

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

	May 31, 2012	February 29, 2012	May 31, 2011
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,073	\$ 2,975	\$ 4,020
Accounts receivable, net	2,588	825	1,432
Inventories, net	6,070	5,650	4,958
Prepaid expenses and other	197	247	161
Total current assets	10,928	9,697	10,571
Property and equipment, net	510	587	954
Other assets	175	172	558
Total assets	\$ 11,613	\$ 10,456	\$ 12,083
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Line of credit	\$ 1,408	\$ 716	\$ -
Accounts payable	1,507	960	885
Accrued expenses	1,385	1,221	1,434
Deferred revenue	555	185	221
Total current liabilities	4,855	3,082	2,540
Income tax payable	125	129	204
Deferred lease commitment	179	195	238
Total liabilities	5,159	3,406	2,982
Shareholders' equity	6,454	7,050	9,101
Total liabilities and shareholders' equity	\$ 11,613	\$ 10,456	\$ 12,083

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