



FOR IMMEDIATE RELEASE

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## **Aehr Test Systems Reports Second Quarter Fiscal 2015 Financial Results**

**Fremont, CA (January 8, 2015) – Aehr Test Systems (NASDAQ: AEHR)**, a worldwide supplier of semiconductor test and burn-in equipment, today announced financial results for its second quarter of fiscal 2015 ended November 30, 2014.

Net sales in the second quarter of fiscal 2015 were \$2.6 million, compared to \$3.6 million in the first quarter of fiscal 2015. Aehr Test reported a non-GAAP net loss of \$1.8 million, or \$0.16 per diluted share, and a GAAP net loss of \$2.1 million, or \$0.18 per diluted share, in the second quarter of fiscal 2015. This compares to a non-GAAP net loss of \$710,000, or \$0.06 per diluted share, and a GAAP net loss of \$907,000, or \$0.08 per diluted share, in the first quarter of fiscal 2015.

Gayn Erickson, President and CEO of Aehr Test Systems, commented, “In our last quarterly conference call, we forecasted a soft quarter or two which is exactly what we have seen. Our ABTS™ packaged part burn-in business dropped off as several customers pushed out forecasted purchases for unrelated reasons. We see this softness in ABTS revenue as a short-term phenomenon and have multiple systems available for short-term deliveries as we anticipate customer demand to turn back on in the next few months.

“We have also seen our current FOX™ wafer level product business impacted. Customers are awaiting the production release of our new FOX-1P Test System, which has taken us longer than expected to complete. This new system is aimed at the flash and micro controller markets, particularly high quality and reliability markets such as the automotive space. We are excited about the roll out of this new system and the new market and customer opportunities it will open up for Aehr Test. We are currently targeting shipment of the first system within the first calendar quarter of 2015, followed by shipments shortly thereafter of several production systems already in backlog,” Erickson continued.

“We are also making great headway on our new FOX-XP multi-wafer test system,” Erickson added. “The FOX-XP system is capable of functional test and burn-in/cycling of flash memories in wafer form before they are assembled into multi-die stacked packages. This new system will deliver a fully integrated solution for testing up to 25 wafers per system at a time, opening up an entirely new market segment for flash wafer level test and cycling applications. This system will significantly expand our served available market, which is estimated to be \$200 million to \$300 million annually. Aehr Test is engaged with multiple flash memory manufacturers who now want to evaluate the FOX-XP Test System for high volume production applications. We are currently negotiating terms for these evaluations and feel confident that the FOX-XP system will address these customers’ needs. We expect first shipments of the FOX-XP system by the latter part of calendar 2015.”

“We are very pleased that we successfully completed the \$2.6 million private placement of our common stock during the quarter,” said Erickson. “Our Directors and Officers purchased a significant portion of the shares, showing confidence in Aehr Test and its prospects. Both existing and new investors also supported the transaction.”

### **Management Conference Call**

Aehr Test Systems will host a conference call and webcast today at 5:00 p.m. Eastern (2:00 p.m. PT) to discuss the Company’s second quarter fiscal 2015 operating results. To access the call dial 888-312-3048 (+1 719-325-2428 outside the United States) and give the participant pass code 7289693. In addition, a live and archived webcast of the conference call will be available over the Internet at [www.aehr.com](http://www.aehr.com) in the Investor Relations section. A replay of the conference call will also be available via telephone by dialing 888-203-1112 (+1 719-457-0820 outside the United States) and entering pass code 7289693, beginning approximately two hours after conclusion of the call through 8:00 p.m. ET on January 15, 2015.

### **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 families of test and burn-in systems and the DiePak<sup>®</sup> 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 Aehr Test’s website at [www.aehr.com](http://www.aehr.com).

### **Safe Harbor Statement**

This press release contains certain forward-looking statements based on current expectations, forecasts and assumptions that involve risks and uncertainties. These statements are based on information available to Aehr Test as of the date hereof and actual results could differ materially from those stated or implied due to risks and uncertainties. Forward-looking statements include statements regarding Aehr Test’s expectations, beliefs, intentions or strategies regarding the future including statements regarding future market opportunities and conditions, expected product shipment dates, customer orders or commitments and future operating results. The risks and uncertainties that could cause Aehr Test’s results to differ materially from those expressed or implied by such forward-looking statements include, without limitation, general market conditions, customer demand and acceptance of Aehr Test’s products and Aehr Test’s ability to execute on its business strategy. See Aehr Test’s recent 10-K, 10-Q and other reports from time to time filed with the Securities and Exchange Commission for a more detailed description of the risks facing Aehr Test’s business. Aehr Test 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			Six Months Ended	
	Nov 30, 2014	Aug 31, 2014	Nov 30, 2013	Nov 30, 2014	Nov 30, 2013
Net sales	\$ 2,615	\$ 3,558	\$ 4,950	\$ 6,173	\$ 8,702
Cost of sales	1,921	1,948	2,456	3,869	4,264
Gross profit	<u>694</u>	<u>1,610</u>	<u>2,494</u>	<u>2,304</u>	<u>4,438</u>
Operating expenses:					
Selling, general and administrative	1,736	1,624	1,517	3,360	2,937
Research and development	1,105	959	798	2,064	1,479
Total operating expenses	<u>2,841</u>	<u>2,583</u>	<u>2,315</u>	<u>5,424</u>	<u>4,416</u>
(Loss) income from operations	(2,147)	(973)	179	(3,120)	22
Interest expense	(8)	(14)	(10)	(22)	(14)
Other income (expense), net	60	31	(30)	91	(64)
(Loss) income before income tax (expense) benefit	(2,095)	(956)	139	(3,051)	(56)
Income tax (expense) benefit	(19)	49	(2)	30	27
Net (loss) income	(2,114)	(907)	137	(3,021)	(29)
Less: Net income attributable to the noncontrolling interest	-	-	-	-	-
Net (loss) income attributable to Aehr Test Systems common shareholders	<u>\$ (2,114)</u>	<u>\$ (907)</u>	<u>\$ 137</u>	<u>\$ (3,021)</u>	<u>\$ (29)</u>
Net (loss) income per share					
Basic	\$ (0.18)	\$ (0.08)	\$ 0.01	\$ (0.26)	\$ (0.00)
Diluted	\$ (0.18)	\$ (0.08)	\$ 0.01	\$ (0.26)	\$ (0.00)
Shares used in per share calculations:					
Basic	11,724	11,391	10,806	11,557	10,721
Diluted	11,724	11,391	11,839	11,557	10,721

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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			Six Months Ended	
	Nov 30, 2014	Aug 31, 2014	Nov 30, 2013	Nov 30, 2014	Nov 30, 2013
GAAP net (loss) income	\$ (2,114)	\$ (907)	\$ 137	\$ (3,021)	\$ (29)
Stock-based compensation expense	277	197	247	474	390
Non-GAAP net (loss) income	<u>\$ (1,837)</u>	<u>\$ (710)</u>	<u>\$ 384</u>	<u>\$ (2,547)</u>	<u>\$ 361</u>
GAAP net (loss) income per diluted share	<u>\$ (0.18)</u>	<u>\$ (0.08)</u>	<u>\$ 0.01</u>	<u>\$ (0.26)</u>	<u>\$ (0.00)</u>
Non-GAAP net (loss) income per diluted share	<u>\$ (0.16)</u>	<u>\$ (0.06)</u>	<u>\$ 0.03</u>	<u>\$ (0.22)</u>	<u>\$ 0.03</u>
Shares used in diluted shares calculation	<u>11,724</u>	<u>11,391</u>	<u>11,839</u>	<u>11,557</u>	<u>10,721</u>
Shares used in non-GAAP diluted shares calculation	<u>11,724</u>	<u>11,391</u>	<u>11,839</u>	<u>11,557</u>	<u>11,237</u>

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)

	<u>November 30,</u> 2014	<u>August 31,</u> 2014	<u>May 31,</u> 2014
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 3,596	\$ 2,075	\$ 1,809
Accounts receivable, net	1,352	2,098	3,390
Inventories	6,035	6,304	6,148
Prepaid expenses and other	359	351	326
Total current assets	<u>11,342</u>	<u>10,828</u>	<u>11,673</u>
Property and equipment, net	538	492	474
Other assets	94	95	78
Total assets	<u>\$ 11,974</u>	<u>\$ 11,415</u>	<u>\$ 12,225</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Current liabilities:			
Line of credit	\$ 642	\$ 1,000	\$ 777
Accounts payable	1,790	1,586	1,892
Accrued expenses	1,248	1,435	1,390
Customer deposits and deferred revenue, short-term	792	761	1,058
Total current liabilities	<u>4,472</u>	<u>4,782</u>	<u>5,117</u>
Income taxes payable	8	8	71
Deferred rent, net of current portion	-	-	8
Total liabilities	<u>4,480</u>	<u>4,790</u>	<u>5,196</u>
Aehr Test Systems shareholders' equity	7,512	6,645	7,050
Noncontrolling interest	(18)	(20)	(21)
Total shareholders' equity	<u>7,494</u>	<u>6,625</u>	<u>7,029</u>
Total liabilities and shareholders' equity	<u>\$ 11,974</u>	<u>\$ 11,415</u>	<u>\$ 12,225</u>

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