



FOR IMMEDIATE RELEASE

**Aehr Test Systems**

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**Aehr Test Systems Reports First Quarter Fiscal 2017 Financial Results**  
*Reports Bookings in the First Quarter of \$10.4 Million*

**Fremont, CA (September 29, 2016) – Aehr Test Systems (NASDAQ: AEHR)**, a worldwide supplier of semiconductor test and burn-in equipment, today announced financial results for its first quarter of fiscal 2017 ended August 31, 2016.

**Fiscal First Quarter Financial Results:**

- Net sales were \$5.3 million, compared to \$6.6 million in the first quarter of fiscal 2016.
- GAAP net loss was \$755,000, or \$0.06 loss per diluted share, compared to GAAP net income of \$294,000, or \$0.02 income per diluted share, in the same quarter a year ago.
- Non-GAAP net loss was \$543,000, or \$0.04 loss per diluted share, compared to non-GAAP net income of \$613,000, or \$0.04 income per diluted share, in the same quarter a year ago.
- Bookings in the first quarter of fiscal 2017 were \$10.4 million.

An explanation of the use of non-GAAP financial information and a reconciliation of the non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in this release.

**Recent Business Highlights:**

- Began production shipments to the company's initial lead customer for its FOX<sup>TM</sup>-1P single wafer test system and shipped and received acceptance on multiple production systems.
- Announced first FOX-XP multi-wafer production test cell order from one of the top semiconductor manufacturers in the world totaling more than \$4.5 million that includes a FOX-XP System configured to test 18 wafers simultaneously, a FOX-XP WaferPak Aligner, and initial set of FOX-XP WaferPak Contactors.
- Announced follow-on orders totaling over \$4 million for multiple ABTS<sup>TM</sup> packaged part burn-in and test systems from a leading multi-national manufacturer of advanced logic integrated circuits (ICs) for automotive, embedded processing, digital signal processing and analog applications.
- Announced manufacturing and development partnership with semiconductor test equipment provider Semics Inc. (Semics) for wafer handling and alignment equipment for Aehr Test's FOX systems, including an investment by Semics in 200,000 shares of Aehr Test common stock.

- After the fiscal quarter, successfully completed private placement of approximately \$5.9 million in shares of the company's common stock with certain institutional and accredited investors.

**Gayn Erickson, President and CEO of Aehr Test Systems, commented:**

"We believe we are off to a great start to our new fiscal year with over \$10 million in bookings in the first quarter, which includes our first production order for our new FOX-XP multi-wafer test and burn-in system and a large multi-system follow-on order for our ABTS packaged part test and burn-in systems. We are encouraged to see the uptick in business for our packaged part systems after experiencing softness in this base business during the past fiscal year.

"We began initial shipments of our new FOX-1P engineering and production systems during our fiscal first quarter and will continue shipments from our backlog into our fiscal second quarter. The FOX-1P Wafer Level Test and Burn-in System cost effectively addresses full wafer testing of multiple device types including flash memories, microcontrollers, and automotive devices. These shipments, along with the delivery and acceptance of the first single wafer version of our FOX-XP multi-wafer system in February 2016 were key milestones in the release of our new FOX-P platform of both single and multi-wafer test and burn-in systems that have been in development the last few years. We believe this new family of products provides unique and highly valuable test and burn-in solutions for our customers and more than doubles our total available market to over \$400 million annually beginning this fiscal year.

"These new products provide Aehr Test with a platform for growth that we believe will help us accomplish our previously announced guidance for significant year-over-year growth in our bookings, revenue and bottom line during this fiscal year."

**Management Conference Call and Webcast**

Aehr Test Systems will host a conference call and webcast today at 5:00 p.m. Eastern (2:00 p.m. PT) to discuss its first quarter fiscal 2017 operating results. To access the call dial **888-708-5690** (+1 **913-312-0982** outside the United States) and give the participant pass code **6896012**. 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 beginning approximately two hours after conclusion of the call through 8:00 p.m. ET on October 6, 2016. To access the replay dial-in information, please click [here](#).

**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 WaferPak contactors. The ABTS systems are used in production and qualification testing of packaged parts for both low-power and high-power logic as well as memory devices. The FOX family of systems includes single and multi-wafer full wafer contact test and burn-in systems 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 WaferPak contactor contains a unique full wafer probe card capable of testing wafers up to 300mm that enables IC manufacturers to perform test and burn-in of full wafers on Aehr Test FOX systems. 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		
	Aug 31, 2016	May 31, 2016	Aug 31, 2015
Net sales	\$ 5,318	\$ 1,571	\$ 6,633
Cost of sales	3,112	1,669	3,250
Gross profit	2,206	(98)	3,383
Operating expenses:			
Selling, general and administrative	1,716	1,722	1,845
Research and development	1,060	1,046	1,062
Total operating expenses	2,776	2,768	2,907
(Loss) income from operations	(570)	(2,866)	476
Interest expense	(178)	(168)	(135)
Other expense, net	(3)	(23)	(24)
(Loss) income before income tax (expense) benefit	(751)	(3,057)	317
Income tax (expense) benefit	(4)	1	(23)
Net (loss) income	(755)	(3,056)	294
Less: Net income attributable to the noncontrolling interest	-	-	-
Net (loss) income attributable to Aehr Test Systems common shareholders	\$ (755)	\$ (3,056)	\$ 294
Net (loss) income per share			
Basic	\$ (0.06)	\$ (0.23)	\$ 0.02
Diluted	\$ (0.06)	\$ (0.23)	\$ 0.02
Shares used in per share calculations:			
Basic	13,317	13,190	12,963
Diluted	13,317	13,190	13,814

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**AEHR TEST SYSTEMS AND SUBSIDIARIES**  
**Reconciliation of GAAP to Non-GAAP Results**  
 (in thousands, except per share data)  
 (unaudited)

	Three Months Ended		
	Aug 31, 2016	May 31, 2016	Aug 31, 2015
GAAP net (loss) income	\$ (755)	\$ (3,056)	\$ 294
Stock-based compensation expense	212	230	319
Non-GAAP net (loss) income	\$ (543)	\$ (2,826)	\$ 613
GAAP net (loss) income per diluted share	\$ (0.06)	\$ (0.23)	\$ 0.02
Non-GAAP net (loss) income per diluted share	\$ (0.04)	\$ (0.21)	\$ 0.04
Shares used in diluted shares calculation	13,317	13,190	13,814
Shares used in non-GAAP diluted shares calculation	13,317	13,190	13,814

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Non-GAAP net (loss) income is a non-GAAP measure and should not be considered a replacement for GAAP results. Non-GAAP net (loss) 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 loss (the most directly comparable GAAP financial measure). These measures are not in accordance with GAAP and may differ from non-GAAP methods of accounting and reporting used by other companies.

We believe these measures enhance investors' ability to review the company's business from the same perspective as the company's management and facilitate comparisons of this period's results with prior periods.

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**AEHR TEST SYSTEMS AND SUBSIDIARIES**  
**Condensed Consolidated Balance Sheets**  
 (in thousands)  
 (unaudited)

	August 31, 2016	May 31, 2016
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,342	\$ 939
Accounts receivable, net	1,774	522
Inventories	6,031	7,033
Prepaid expenses and other	305	254
Total current assets	10,452	8,748
Property and equipment, net	789	1,204
Other assets	95	94
Total assets	\$ 11,336	\$ 10,046
<b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>		
Current liabilities:		
Accounts payable	\$ 1,906	\$ 1,413
Accrued expenses	1,372	1,553
Customer deposits and deferred revenue, short-term	2,724	1,714
Total current liabilities	6,002	4,680
Long-term debt	6,006	5,962
Deferred revenue, long-term	63	127
Total liabilities	12,071	10,769
Aehr Test Systems shareholders' deficit	(714)	(703)
Noncontrolling interest	(21)	(20)
Total shareholders' deficit	(735)	(723)
Total liabilities and shareholders' deficit	\$ 11,336	\$ 10,046

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