

# NEWS RELEASE



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1495 Steiger Lake Lane  
Victoria, Minnesota 55386  
952-443-2500

## CONTACTS:

Mark B. Thomas, CEO

**For Immediate Release**

## **HEI, Inc. Announces Results for the Third Quarter Fiscal 2009**

MINNEAPOLIS, November 25, 2009 -- HEI, Inc. (Pink Sheets: HEI.LPK; <http://www.heii.com>) today announced its financial results for its third quarter of fiscal year 2009, which ended October 3, 2009.

Net sales for the third quarter were \$6,980,000, compared to \$11,321,000 for the third quarter of fiscal year 2008. The Company generated a net loss of \$1,034,000 for the third quarter of fiscal year 2009 compared to net income of \$156,000 for the same period of fiscal year 2008. Net sales for the first nine months of fiscal year 2009 were \$23,692,000, compared to \$31,496,000 for the same prior year period. We generated a net loss of \$934,000 through the third quarter of the current fiscal year compared to a net income of \$377,000 for the first nine months of the prior fiscal year.

HEI CEO, Mark B. Thomas, commented: "Our third quarter results reflect the impact that the economy has had on the demand for products from a number of our customers. In addition, the results reflect the impact of some pricing concessions we made in order to retain certain business for HEI and the discontinuation of certain products by some of our customers. In response, we have adjusted and realigned many of our costs to the extent possible. Our primary objective has and continues to be the expansion of our customer base and we have started to add new customers at all three of our operating sites. The third quarter appears to be the low point and we will continue to focus on existing and new projects with our current customers and to pursue new customers in all the markets that we support."

HEI, Inc. designs, develops and manufactures ultra-miniature microelectronics, substrates, systems, and connectivity and software solutions for customers engaged in the medical, hearing, telecommunications, and industrial markets. HEI provides its customers with a single point of contact that can take an idea from inception to a fully functional and cost effective product utilizing innovative design solutions and by the application of state-of-the-art materials, processes and manufacturing capabilities.

Headquarters & Microelectronics Division  
-Advanced Medical Division  
-High Density Interconnect Division

PO Box 5000, 1495 Steiger Lake Lane, Victoria, MN 55386  
4801 North 63<sup>rd</sup> Street, Boulder, CO 80301  
610 South Rockford Drive, Tempe, AZ 85281

### *FORWARD LOOKING INFORMATION*

Information in this news release, which is not historical, includes forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 that involve substantial risks and uncertainties. You can identify these statements by forward-looking words such as "may," "will," "expect," "anticipate," "believe," "intend," "estimate," "continue," and similar words. Statements contained in this press release, including the implementation of business strategies, growth of specific markets, improved results and the estimated HEI revenue, cash flow and profits, are forward looking statements. All of such forward-looking statements involve risks and uncertainties including, without limitation, continuing adverse business and market conditions, the ability of HEI to secure and satisfy customers, the availability and cost of materials from HEI's suppliers, our ability to satisfy financial or other obligations or covenants set forth in our financing agreements, adverse competitive developments, change in or cancellation of customer requirements, collection of receivables and outstanding debt, HEI's ability to control fixed and variable operating expenses, and other risks detailed in previous HEI SEC filings. Since HEI is no longer reporting to the SEC, readers are cautioned to weigh the potential for additional risk factors based on ongoing business activities and the current economic conditions in the world economy. The information set forth herein should be read in light of such risks. We undertake no obligation to update these statements to reflect ensuing events or circumstances, or subsequent actual results.