



FOR IMMEDIATE RELEASE

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**AEHR TEST SYSTEMS REPORTS FIRST QUARTER
RESULTS FOR FISCAL 2005**

Fremont, CA (September 21, 2004) – Aehr Test Systems (Nasdaq: AEHR), a leading supplier of semiconductor test and burn-in equipment, today announced financial results for the first quarter of fiscal 2005 ended August 31, 2004.

Net sales increased 42 percent in the first quarter of fiscal 2005 to \$5.9 million, compared with \$4.2 million in the first quarter of fiscal 2004. The Company posted a net loss of \$1.3 million, or \$0.18 per diluted share, in the first quarter of fiscal 2005, compared with a net loss of \$808,000, or \$0.11 per diluted share, in the same period of the prior year.

“We are pleased with our increased sales performance,” said Rhea Posedel, chairman and chief executive officer of Aehr Test Systems. “We had a productive quarter, which included follow-on orders for, and the successful shipment and installation of, MTX Fp+ systems in Asia. The Company’s gross margins were lower than normal during the quarter, primarily because of the substantial amount of pass-through products included in the multi-million dollar MTX Fp+ turnkey orders announced previously. We expect gross margins to improve in the second quarter of fiscal 2005, as most of the pass-through products associated with these orders were shipped by the end of the first quarter of fiscal 2005.

“The interest level for our FOX™ full wafer contact products has picked up, as the demand for stacked packages is driving the need for burned-in and tested bare die,” continued Mr. Posedel. “We believe Aehr Test will benefit from this over the long-term as we penetrate new market opportunities with our innovative FOX family of wafer level test and burn-in products.”

At August 31, 2004, cash, short-term investments and long-term investments were \$10.9 million, compared to \$11.8 million at the end of fiscal 2004. Aehr Test closed the first quarter of fiscal 2005 with no outstanding debt and shareholders’ equity of \$20.9 million, or \$2.82 per diluted share.

“While we believe that fiscal second quarter net sales will show improvement over the same period in the prior year, we are anticipating a net sales decline when compared with the first quarter of fiscal 2005, primarily because of the reduction in pass-through product shipments,” said Gary Larson, vice president and chief financial officer of Aehr Test Systems. “We do, however, anticipate sequential improvements in gross margins and on the bottom line.”

Management Conference Call

Management of Aehr Test will host a conference call and webcast today, Tuesday, September 21, 2004 at 5:00 p.m. Eastern (2:00 p.m. Pacific) to discuss the Company’s fiscal 2005 first quarter results. The conference call will be accessible live via the Internet at www.aehr.com. Please go to the website at least fifteen minutes early to register, download and install any necessary audio software. A replay of the webcast will be available for 90 days.

About Aehr Test Systems

Headquartered in Fremont, California, Aehr Test Systems is a leading worldwide 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, MAX3 and MAX4 systems, and the DiePak[®] carrier. The FOX system is a full wafer contact test and burn-in 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 complex 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. 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 industry growth and customer demand for Aehr Test’s products as well as projections regarding Aehr Test’s future financial performance. Actual results may vary from projected results. These risks and uncertainties include, without limitation, economic conditions in Asia and elsewhere, world events, acceptance by customers of the FOX, MTX, MAX and DiePak technologies, the Company’s development and manufacture of a commercially successful wafer-level test and burn-in system, and the potential emergence of alternative technologies, which could adversely affect demand for Aehr Test’s products in fiscal year 2005. See Aehr Test’s most recent 10-K report filed with the Securities and Exchange Commission (SEC) 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 August 31,	
	2004	2003
Net sales	\$ 5,936	\$4,169
Cost of sales	4,869	2,543
Gross profit	1,067	1,626
Operating expenses:		
Selling, general and administrative	1,432	1,514
Research and development	1,025	1,219
Total operating expenses	2,457	2,733
Loss from operations	(1,390)	(1,107)
Interest income	24	236
Other income, net	24	63
Loss before income taxes	(1,342)	(808)
Income tax benefit	(18)	--
Net loss	\$(1,324)	\$ (808)
Net loss per share		
Basic	\$ (0.18)	\$(0.11)
Diluted	\$ (0.18)	\$(0.11)
Shares used in per share calculations:		
Basic	7,393	7,157
Diluted	7,393	7,157

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

	August 31, 2004 (Unaudited)	May 31, 2004
	<hr/>	<hr/>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 6,271	\$ 4,641
Short-term investments	4,299	5,892
Accounts receivable	5,250	4,205
Inventories	7,623	7,989
Prepaid expenses and other	449	492
Total current assets	<hr/> 23,892	<hr/> 23,219
Property and equipment, net	1,306	1,289
Long-term investments	299	1,292
Other assets, net	1,012	1,012
Total assets	<hr/> <hr/> \$26,509	<hr/> <hr/> \$26,812
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 2,617	\$ 1,838
Accrued expenses	2,018	2,100
Deferred revenue	651	337
Total current liabilities	<hr/> 5,286	<hr/> 4,275
Deferred revenue	26	26
Deferred lease commitment	311	307
Total liabilities	<hr/> 5,623	<hr/> 4,608
Shareholders' equity:		
Common stock, \$.01 par value outstanding: 7,394 and 7,389 shares at August 31, 2004 and May 31, 2004, respectively		
	74	74
Additional paid-in capital	37,341	37,322
Net unrealized loss on investments	(8)	(14)
Cumulative translation adjustment	1,374	1,393
Accumulated deficit	(17,895)	(16,571)
Total shareholders' equity	<hr/> 20,886	<hr/> 22,204
Total liabilities and shareholders' equity	<hr/> <hr/> \$26,509	<hr/> <hr/> \$26,812