



**FOR IMMEDIATE RELEASE**

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**AEHR TEST SYSTEMS REPORTS FIRST QUARTER RESULTS FOR FISCAL 2006**

**Fremont, CA (September 27, 2005)** - 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 2006 ended August 31, 2005.

Net sales were \$4.6 million in the first quarter of fiscal 2006, compared with \$5.9 million in the first quarter of fiscal 2005, and up approximately 42% from \$3.3 million in the fourth quarter of fiscal 2005. The Company's net loss improved to \$244,000, or \$0.03 per diluted share, in the first quarter of fiscal 2006, compared with a net loss of \$1.3 million, or \$0.18 per diluted share, in the same period of the prior year, and \$1.7 million, or \$0.23 per diluted share, in the fourth quarter of 2005.

"We're very pleased to have started the fiscal year on a strong note," said Rhea Posedel, chairman and chief executive officer of Aehr Test Systems. "As anticipated, net sales grew significantly on a sequential basis and we substantially narrowed our losses. Bookings during the quarter were the highest we've seen in several years, and ongoing quote activity remains strong from both new and existing customers. While it's too early to signal a long-term trend in our business, we are very encouraged by this recent activity.

"During the first quarter, we announced that a leading memory manufacturer placed \$3 million in follow-on orders for our MTX-Fp+ parallel test systems. After quarter-end, we announced follow-on orders for our MAX logic burn-in systems from a major, U.S.-based IC manufacturer totaling approximately \$5 million. Another significant highlight is that we received an order from a leading DRAM manufacturer to demonstrate full wafer-level burn-in and test of 300 mm DRAM wafers," said Mr. Posedel. "We remain upbeat for the current fiscal year, and believe that Aehr Test has built a broad and innovative line of burn-in and testing products that is successfully addressing new market opportunities."

At August 31, 2005, cash, short-term investments and long-term investments were \$6.3 million, compared to \$9.2 million at the end of fiscal 2005. Aehr Test ended the first quarter of fiscal 2006 with no outstanding debt and shareholders' equity of \$17.2 million, or \$2.30 per diluted share.

“Based on recent strong bookings and continuing interest in Aehr Test’s products, we expect second quarter fiscal 2006 net sales to be significantly higher than those in the quarter just reported, and we expect to be profitable in the second quarter,” said Gary Larson, vice president and chief financial officer of Aehr Test Systems. “We also remain on track for a considerable increase in net sales for fiscal 2006, versus fiscal 2005.”

### **Management Conference Call**

Management of Aehr Test will host a conference call and webcast today, Tuesday, September 27, 2005 at 5:00 p.m. Eastern (2:00 p.m. Pacific) to discuss the Company’s first quarter fiscal 2006 operating results. The conference call will be accessible live via the Internet at [www.aehr.com](http://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](http://www.aehr.com) 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 2,500 systems worldwide. Aehr Test has developed and introduced several innovative products, including the FOX MTX, MAX3 and MAX4 systems, and the DiePak<sup>®</sup> 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](http://www.aehr.com).

### **Safe Harbor Statement**

This release contains forward-looking statements that involve risks and uncertainties relating to projections regarding customer demand and acceptance of Aehr Test’s products. Actual results may vary from projected results. These risks and uncertainties include, without limitation, acceptance by customers of the Aehr Test’s technologies, acceptance by customers of the systems shipped upon receipt of a purchase order and the ability of new products to meet customer needs or perform as described. See Aehr Test’s recent 10-K and 10-Q reports and other reports from time to time 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)

	Three Months Ended	
	August 31, (Unaudited)	
	2005	2004
Net sales	\$4,646	\$ 5,936
Cost of sales	2,458	4,869
Gross profit	2,188	1,067
Operating expenses:		
Selling, general and administrative	1,452	1,432
Research and development	1,034	1,025
Total operating expenses	2,486	2,457
Loss from operations	(298)	(1,390)
Interest income	46	24
Other income, net	--	24
Loss before income taxes	(252)	(1,342)
Income tax benefit	(8)	(18)
Net loss	\$ (244)	\$ (1,324)
Net loss per share		
Basic	\$(0.03)	\$ (0.18)
Diluted	\$(0.03)	\$ (0.18)
Shares used in per share calculations:		
Basic	7,482	7,393
Diluted	7,482	7,393

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

	August 31, 2005 <u>(Unaudited)</u>	May 31, 2005 <u>                    </u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,983	\$ 4,952
Short-term investments	2,341	3,813
Accounts receivable	4,628	2,537
Inventories	7,815	7,140
Prepaid expenses and other	<u>433</u>	<u>585</u>
Total current assets	19,200	19,027
Property and equipment, net	1,381	1,232
Long-term investments	0	409
Goodwill	274	274
Other assets, net	<u>526</u>	<u>527</u>
Total assets	<u><u>\$21,381</u></u>	<u><u>\$21,469</u></u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 1,222	\$ 1,050
Accrued expenses	1,782	1,943
Deferred revenue	<u>835</u>	<u>692</u>
Total current liabilities	3,839	3,685
Deferred revenue	20	21
Deferred lease commitment	<u>309</u>	<u>311</u>
Total liabilities	<u><u>4,168</u></u>	<u><u>4,017</u></u>
Shareholders' equity:		
Common stock, \$0.01 par value outstanding:		
7,482 and 7,482 shares at August 31, 2005 and May 31, 2005, respectively	75	75
Additional paid-in capital	37,568	37,568
Accumulated other comprehensive income	1,255	1,250
Accumulated deficit	<u>(21,685)</u>	<u>(21,441)</u>
Total shareholders' equity	<u><u>17,213</u></u>	<u><u>17,452</u></u>
Total liabilities and shareholders' equity	<u><u>\$21,381</u></u>	<u><u>\$21,469</u></u>