



FOR IMMEDIATE RELEASE

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**AEHR TEST SYSTEMS REPORTS
FIRST QUARTER FISCAL 2008 RESULTS**

Fremont, CA (September 25, 2007) - 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 2008 ended August 31, 2007.

Net sales were \$7.7 million in the first quarter of fiscal 2008, an increase of 7.3% from \$7.1 million in the first quarter of fiscal 2007. Aehr Test reported net income of \$779,000, or \$0.09 per diluted share, in the first quarter of fiscal 2008, compared with net income of \$557,000, or \$0.07 per diluted share, in the first quarter of fiscal 2007. Net income excluding stock compensation expense of \$193,000 was \$968,000, or \$0.12 per diluted share, in the first quarter of fiscal 2008. In the same period of the prior fiscal year, net income excluding stock compensation expense of \$163,000 was \$717,000, or \$0.09 per diluted share. The attached condensed consolidated financial statements include a table reconciling the Company's net income excluding stock compensation expense to net income calculated according to accounting principles generally accepted in the United States ("GAAP") for the three months ended August 31, 2007 and 2006.

"We made good progress during the first quarter in building the foundation for further growth of our FOX™-1 full wafer parallel test systems," said Rhea Posedel, chairman and chief executive officer of Aehr Test Systems. "We are steadily increasing our design and manufacturing capacity for our full wafer test contactors, and we continue to build our backlog following the receipt of a \$13 million follow-on order for multiple FOX-1 systems. The latest follow-on order is for systems designed for a new 300mm fab, which we believe could yield additional orders in the future."

At August 31, 2007, cash and cash equivalents and short-term investments were \$8.7 million. Aehr Test closed the first quarter of fiscal 2008 with no outstanding debt and shareholders' equity of \$23.9 million, or \$3.06 per share outstanding at August 31, 2007.

Commenting on the outlook for the second quarter of fiscal 2008, Gary Larson, vice president and chief financial officer of Aehr Test Systems, said, "Based on our solid backlog for FOX products and our expected shipment schedules, we believe our net sales and net income in the second quarter of fiscal 2008 will be higher than those in the first quarter."

Management Conference Call

Management of Aehr Test will host a conference call and webcast today, September 25, 2007 at 5:00 p.m. Eastern (2:00 p.m. Pacific) to discuss the Company's first quarter fiscal 2008 operating results. The conference call will be accessible live via the internet at 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 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 DRAMs, flash, and other memory 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 and MAX 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 customer demand and acceptance of Aehr Test's products. Actual results may vary from projected results. These risks and uncertainties include without limitation, economic conditions in Asia and elsewhere, acceptance by customers of 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, and the Company's development and manufacture of a commercially successful wafer-level test and burn-in system. See Aehr Test's recent 10-K report 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 Income
(in thousands, except per share data)
(Unaudited)

	Three Months Ended	
	August 31,	
	<u>2007</u>	<u>2006</u>
Net sales	\$ 7,660	\$ 7,136
Cost of sales	<u>3,479</u>	<u>3,883</u>
Gross profit	<u>4,181</u>	<u>3,253</u>
Operating expenses:		
Selling, general and administrative	1,816	1,635
Research and development	<u>1,648</u>	<u>1,387</u>
Total operating expenses	<u>3,464</u>	<u>3,022</u>
Income from operations	717	231
Interest income	75	122
Other income, net	<u>2</u>	<u>216</u>
Income before income tax expense	794	569
Income tax expense	<u>15</u>	<u>12</u>
Net income	<u>\$ 779</u>	<u>\$ 557</u>
Net income per share		
Basic	\$ 0.10	\$ 0.07
Diluted	\$ 0.09	\$ 0.07
Shares used in per share calculations:		
Basic	7,827	7,683
Diluted	8,301	8,326

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

Reconciliation of non-GAAP Financial Measure - net income to net income excluding stock compensation expense

	<u>Three Months Ended</u> <u>August 31, 2007</u>	<u>Three Months Ended</u> <u>August 31, 2006</u>
Net income	\$779	\$557
Stock compensation expense	<u>193</u>	<u>163</u>
Income before income taxes, excluding stock compensation expense	972	720
Income tax expense	<u>4</u>	<u>3</u>
Net income excluding stock compensation expense	<u><u>\$968</u></u>	<u><u>\$717</u></u>
Diluted net income per share excluding stock compensation expense	<u><u>\$ 0.12</u></u>	<u><u>\$ 0.09</u></u>

Net income excluding stock compensation expense is a non-GAAP measure and should not be considered a replacement for GAAP results.

Net income excluding stock compensation expense is a financial measure the Company uses to evaluate the underlying results and operating performance of the business. The difference between net income (the most comparable GAAP measure) and net income excluding stock compensation expense (the non-GAAP measure) reflects the impact of applying SFAS 123R to the current period. The limitation of this measure is that it excludes an item that impacts 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) because net income excluding stock compensation expense does not reflect the impact of SFAS 123R and may be higher than net income (the most comparable GAAP measure).

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

	<u>August 31,</u> <u>2007</u>	<u>May 31,</u> <u>2007</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,674	\$ 6,564
Short-term investments	1,046	2,987
Accounts receivable, net	6,783	6,614
Inventories	10,646	9,701
Prepaid expenses and other	325	326
Total current assets	<u>26,474</u>	<u>26,192</u>
Property and equipment, net	1,617	1,689
Goodwill	274	274
Other assets	525	520
Total assets	<u><u>\$28,890</u></u>	<u><u>\$28,675</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,955	\$ 2,517
Accrued expenses	2,575	2,927
Deferred revenue	250	378
Total current liabilities	<u>4,780</u>	<u>5,822</u>
Deferred lease commitment	163	185
Total liabilities	<u>4,943</u>	<u>6,007</u>
Shareholders' equity:		
Common stock, \$0.01 par value outstanding:		
7,834 and 7,820 shares at August 31, 2007 and May 31, 2007, respectively	78	78
Additional paid-in capital	39,821	39,552
Accumulated other comprehensive income	1,345	1,241
Accumulated deficit	(17,297)	(18,203)
Total shareholders' equity	<u>23,947</u>	<u>22,668</u>
Total liabilities and shareholders' equity	<u><u>\$28,890</u></u>	<u><u>\$28,675</u></u>