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**AEHR TEST SYSTEMS REPORTS SECOND QUARTER
RESULTS FOR FISCAL 2003**

Fremont, CA (January 8, 2003) -- Aehr Test Systems (Nasdaq: AEHR) today announced financial results for the second quarter of fiscal year 2003 ended November 30, 2002.

Net sales for the quarter were \$2.9 million compared with \$2.8 million for the same quarter of the prior year, an increase of 4 percent. Operating loss for the second quarter was \$1.7 million compared with \$1.1 million for the second quarter of fiscal 2002. Net loss for the quarter was \$2.0 million, or \$0.28 per share, compared with a net loss of \$774,000, or \$0.11 per share, in the same quarter of the prior year. Net loss for the quarter included income tax expense of \$21,000, whereas in the second quarter of fiscal 2002, income tax benefit of \$261,000, or \$0.04 per share, was recorded.

“In the quarter ended November 30, 2002, we recorded under ‘Other expense, net’ a \$365,000, or five cents per share, non-cash impairment to an investment, to reflect current market conditions affecting the investment’s valuation,” stated Gary Larson, vice president and chief financial officer of Aehr Test Systems. “This investment is in a development partner for our FOX full wafer contactor products.”

As of November 30, 2002, the Company had cash, short-term investments and long-term investments totaling \$11.7 million. Shareholders’ equity at the end of the period was \$26.9 million, or \$3.77 per share. The Company’s long-term investments consist of interest bearing securities with maturities of less than 18 months.

“Our second quarter performance was impacted by the protracted downturn in the semiconductor industry,” said Rhea Posedel, chairman and chief executive officer of Aehr Test. “As a result, net sales were sequentially lower than those of the first quarter of fiscal 2003.”

For the six months ended November 30, 2002, net sales were \$6.4 million, a 14 percent increase over \$5.6 million in the comparable period of fiscal 2002. Operating loss for the six months ended November 30, 2002 was \$2.8 million compared with \$2.3 million for the same period of the prior fiscal year. Net loss for the six months was \$2.9 million, or \$0.40 per share. Net loss for the comparable period of fiscal 2002 was \$1.4 million, or \$0.20 per share, including an income tax benefit of \$560,000, or \$0.08 per share. Loss before the tax benefit for the six months ended November 30, 2001 was \$2.0 million, or \$0.28 per share.

“Although economic conditions remain difficult, we see some positive developments,” stated Posedel. “In the second quarter, we saw some capacity expansion in the DRAM marketplace as demand and prices for DDR chips increased. As a result, we sold and shipped two MTX massively parallel test systems in the second quarter. We believe that this capacity expansion will continue in the third quarter of fiscal 2003, which bodes well for additional MTX orders.”

Posedel continued, “We also see potential additional orders this quarter for our MAX4 higher current burn-in and test systems for handheld wireless and wireless communication ICs. We’ve already booked an order for two MAX4 systems in the third quarter.”

C.J. Meurell, president and chief operating officer of Aehr Test, added, “We continue to see a strong interest in our innovative FOX full wafer contact test and burn-in systems. We believe that IC manufacturers are considering our FOX BIST tester currently being developed as a solution to reduce their escalating test costs for flash and embedded memory products. We are confident about the market potential of our FOX family of products and expect to see an order for our FOX BIST tester over the next few quarters.”

Posedel concluded, “We are cautiously optimistic that net sales for the third quarter will improve when compared with those of the quarter just reported, due to potential sales of our core products resulting from positive industry demand trends. Our balance sheet allows us to continue investing in next generation systems, such as the FOX product line, to move the Company into new, larger markets and drive long-term growth.”

About Aehr Test Systems

Headquartered in Fremont, California, Aehr Test Systems is a leading 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 burn-in and test 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 sophisticated 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.

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. Actual results may vary from projected results. These risks and uncertainties include economic conditions in Asia and elsewhere, world events, acceptance by customers of the FOX, MTX, MAX and DiePak technologies, the ability of the Company to gain business in China, the Company’s development and manufacture of a commercially successful wafer-level burn-in system, and the potential emergence of alternative technologies, which could adversely affect demand for Aehr Test’s products in fiscal year 2003. See Aehr Test’s recent 10-K and 10-Q reports filed with the SEC for additional risks affecting Aehr Test.

{Financial Tables to Follow}

AEHR TEST SYSTEMS AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(in thousands, except per share data)
(Unaudited)

	Three Months Ended November 30,		Six Months Ended November 30,	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Net sales	\$ 2,928	\$ 2,822	\$ 6,436	\$ 5,627
Cost of sales	1,908	1,401	3,857	2,811
Gross profit	<u>1,020</u>	<u>1,421</u>	<u>2,579</u>	<u>2,816</u>
Operating expenses:				
Selling, general and administrative	1,452	1,500	3,163	3,131
Research and development	1,234	999	2,195	1,965
Total operating expenses	<u>2,686</u>	<u>2,499</u>	<u>5,358</u>	<u>5,096</u>
Loss from operations	(1,666)	(1,078)	(2,779)	(2,280)
Interest income	58	145	141	313
Interest expense	--	--	--	-
Other expense, net	<u>(363)</u>	<u>(102)</u>	<u>(259)</u>	<u>(1)</u>
Loss before income taxes	(1,971)	(1,035)	(2,897)	(1,968)
Income tax expense (benefit)	<u>21</u>	<u>(261)</u>	<u>(18)</u>	<u>(560)</u>
Net loss	<u><u>\$ (1,992)</u></u>	<u><u>\$ (774)</u></u>	<u><u>\$ (2,879)</u></u>	<u><u>\$ (1,408)</u></u>
Net loss per share				
Basic	\$ (0.28)	\$ (0.11)	\$ (0.40)	\$ (0.20)
Diluted	\$ (0.28)	\$ (0.11)	\$ (0.40)	\$ (0.20)
Shares used in per share calculations:				
Basic	7,164	7,128	7,174	7,125
Diluted	7,164	7,128	7,174	7,125

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

	November 30, 2002 <u>(Unaudited)</u>	<u>May 31, 2002</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,153	\$7,485
Short-term investments	4,217	8,003
Accounts receivable	3,864	3,132
Inventories	8,856	8,633
Prepaid expenses and other	<u>2,353</u>	<u>2,373</u>
Total current assets	26,443	29,626
Property and equipment, net	2,106	2,356
Long-term investments	308	--
Other assets, net	<u>1,558</u>	<u>1,836</u>
Total assets	<u><u>\$30,415</u></u>	<u><u>\$33,818</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 656	\$ 874
Accrued expenses	2,147	2,260
Deferred revenue	<u>409</u>	<u>540</u>
Total current liabilities	3,212	3,674
Deferred revenue	35	35
Deferred lease commitment	<u>256</u>	<u>224</u>
Total liabilities	<u>3,503</u>	<u>3,933</u>
Shareholders' equity:		
Common stock, \$.01 par value outstanding:		
7,134 and 7,184 shares at November 30, 2002 and May 31, 2002, respectively	71	72
Additional paid-in capital	36,283	36,387
Net unrealized gain on investments	9	2
Cumulative translation adjustment	1,496	1,492
Accumulated deficit	<u>(10,947)</u>	<u>(8,068)</u>
Total shareholders' equity	<u>26,912</u>	<u>29,885</u>
Total liabilities and shareholders' equity	<u><u>\$30,415</u></u>	<u><u>\$33,818</u></u>