



FOR IMMEDIATE RELEASE

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

Fremont, CA (January 5, 2006) - Aehr Test Systems (Nasdaq: AEHR), a leading supplier of semiconductor test and burn-in equipment, today announced financial results for the second quarter of fiscal 2006 ended November 30, 2005.

Net sales were \$5.8 million in the second quarter of fiscal 2006, up approximately 21% from \$4.8 million in the second quarter of fiscal 2005, and up approximately 25% from \$4.6 million in the first quarter of fiscal 2006. The Company reported a profit of \$166,000, or \$0.02 per diluted share, in the second quarter of fiscal 2006, compared with a net loss of \$599,000, or \$0.08 per diluted share, in the same period of the prior year.

"I am extremely pleased to report that Aehr Test returned to profitability during the quarter," said Rhea Posedel, chairman and chief executive officer of Aehr Test Systems. "Net sales were strong, driven primarily by the \$5 million in MAX system follow-on orders from a major, U.S.-based IC manufacturer which we announced in September of last year.

"We expect to see good demand for our MAX products throughout the remainder of fiscal 2006, and also believe that orders for our MTX-Fp+ parallel test systems will contribute to increased net sales. Additionally, we continue to see a high level of interest in our FOX™ wafer level burn-in and test systems and expect to ship our initial FOX-1 system during fiscal 2006," said Mr. Posedel. "Our focus on providing customers with a cutting-edge line of burn-in and testing products is paying off, and we remain committed to enhancing our offerings to address growing market opportunities."

Net sales were \$10.5 million in the first six months of fiscal 2006, compared with \$10.7 million in the first six months of fiscal 2005. The Company's net loss for the six months ended November 30, 2005 was \$78,000, or \$0.01 per diluted share, compared with a net loss of \$1.9 million, or \$0.26 per diluted share, in the same period of the prior year.

At November 30, 2005, cash and cash equivalents, short-term investments and long-term investments were \$6.8 million, compared to \$9.2 million at the end of fiscal 2005 and up from \$6.3 million at the end

of the first quarter of fiscal 2006. Aehr Test ended the second quarter of fiscal 2006 with no outstanding debt and shareholders' equity of \$17.4 million, or \$2.32 per share outstanding at November 30, 2005.

"We expect third quarter fiscal 2006 net sales to increase from the second quarter of fiscal 2006," said Gary Larson, vice president and chief financial officer of Aehr Test Systems. "We also expect increased profitability in the third quarter of fiscal 2006 when compared to the quarter just reported."

Management Conference Call

Management of Aehr Test will host a conference call and webcast today, Thursday, January 5, 2006 at 5:00 p.m. Eastern (2:00 p.m. Pacific) to discuss the Company's second quarter fiscal 2006 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 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 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, 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. 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)
(Unaudited)

	Three Months Ended November 30,		Six Months Ended November 30,	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Net sales	\$ 5,817	\$4,790	\$10,463	\$10,726
Cost of sales	<u>3,112</u>	<u>3,302</u>	<u>5,570</u>	<u>8,171</u>
Gross profit	<u>2,705</u>	<u>1,488</u>	<u>4,893</u>	<u>2,555</u>
Operating expenses:				
Selling, general and administrative	1,542	1,115	2,994	2,547
Research and development	<u>1,006</u>	<u>992</u>	<u>2,040</u>	<u>2,017</u>
Total operating expenses	<u>2,548</u>	<u>2,107</u>	<u>5,034</u>	<u>4,564</u>
Income (loss) from operations	157	(619)	(141)	(2,009)
Interest income	36	32	80	56
Other income (expense), net	<u>12</u>	<u>172</u>	<u>14</u>	<u>196</u>
Income (loss) before income taxes	205	(415)	(47)	(1,757)
Income tax expense	<u>39</u>	<u>184</u>	<u>31</u>	<u>166</u>
Net income (loss)	<u>\$ 166</u>	<u>\$ (599)</u>	<u>\$ (78)</u>	<u>\$ (1,923)</u>
Net income (loss) per share				
Basic	\$ 0.02	\$ (0.08)	\$ (0.01)	\$ (0.26)
Diluted	\$ 0.02	\$ (0.08)	\$ (0.01)	\$ (0.26)
Shares used in per share calculations:				
Basic	7,496	7,412	7,489	7,402
Diluted	7,514	7,412	7,489	7,402

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

	November 30, 2005 <u>(Unaudited)</u>	May 31, 2005
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,807	\$ 4,952
Short-term investments	1,003	3,813
Accounts receivable	4,113	2,537
Inventories	8,609	7,140
Prepaid expenses and other	<u>388</u>	<u>585</u>
Total current assets	19,920	19,027
Property and equipment, net	1,328	1,232
Long-term investments	--	409
Goodwill	274	274
Other assets, net	<u>520</u>	<u>527</u>
Total assets	<u><u>\$22,042</u></u>	<u><u>\$21,469</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,147	\$ 1,050
Accrued expenses	1,931	1,943
Deferred revenue	<u>1,255</u>	<u>692</u>
Total current liabilities	4,333	3,685
Deferred revenue	21	21
Deferred lease commitment	<u>306</u>	<u>311</u>
Total liabilities	<u>4,660</u>	<u>4,017</u>
Shareholders' equity:		
Common stock, \$0.01 par value outstanding:		
7,507 and 7,482 shares at November 30, 2005		
and May 31, 2005, respectively	75	75
Additional paid-in capital	37,636	37,568
Accumulated other comprehensive income	1,190	1,250
Accumulated deficit	<u>(21,519)</u>	<u>(21,441)</u>
Total shareholders' equity	<u>17,382</u>	<u>17,452</u>
Total liabilities and shareholders' equity	<u><u>\$22,042</u></u>	<u><u>\$21,469</u></u>