



For Immediate Release

Contact:

Erin Cox
Financial Relations Board for Aehr Test Systems
Investor/Analyst Contact
(310) 854-8319

**AEHR TEST SYSTEMS REPORTS
SECOND QUARTER RESULTS FOR FISCAL 2007**

Fremont, CA (January 4, 2007) - 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 2007 ended November 30, 2006.

Net sales were \$6.2 million in the second quarter of fiscal 2007, an increase of 7.4% from \$5.8 million in the second quarter of fiscal 2006. The Company reported net income of \$687,000, or \$0.08 per diluted share, in the second quarter of fiscal 2007, compared with net income of \$166,000, or \$0.02 per diluted share, in the second quarter of fiscal 2006. Net income, excluding stock compensation expense of \$172,000 was \$856,000, or \$0.10 per diluted share, in the second quarter of fiscal 2007. The Company did not record stock compensation expense prior to fiscal 2007. 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 and six months ended November 30, 2006.

"We continued to see increasing levels of demand for our new FOX-1™ full wafer parallel tester," said Rhea Posedel, chairman and chief executive officer of Aehr Test Systems. "Today we announced receiving over \$6 million in follow-on orders from our initial FOX-1 customer for multiple FOX-1 systems and full wafer contactors. We are especially excited because these orders include FOX-1 systems targeted to test 300mm wafers, significantly expanding our potential for increased current and new business opportunities. We would expect to receive additional orders from this customer based on the success of our FOX-1 parallel testers and 300mm full wafer contactors.

"Another positive for the quarter was the shipment of our first two FOX-1 test systems for 200mm wafer parallel testing in a single touch-down," said Posedel. "Although the increase in FOX-1 system revenues was offset by lower shipments of our core MAX burn-in test products, we continue to be optimistic about our long-term growth outlook. We are encouraged by the continued market demand for our FOX family of wafer level test and burn-in products."

During the second quarter of fiscal 2007, the Company recorded other income of \$651,000. The other income primarily relates to the recognition of an earn-out payment included in the consideration received for the 2003 sale of a portion of the Company's ownership in ESA Electronics, a Singapore company.

At November 30, 2006, cash and cash equivalents and short-term investments were \$12.1 million. Aehr Test closed the second quarter of fiscal 2007 with no outstanding debt and shareholders' equity of \$20.9 million, or \$2.69 per share outstanding, at November 30, 2006.

"During the third quarter of fiscal 2007, we expect net sales to be relatively similar to those of the second quarter of fiscal 2007," said Gary Larson, vice president and chief financial officer of Aehr Test Systems. "Based on the trends we are seeing, we believe that the FOX family of products will comprise a greater percentage of our total revenue going forward, and we expect to report a solid increase in net sales for the full fiscal year 2007."

Management Conference Call

Management of Aehr Test will host a conference call and webcast today, January 4, 2007 at 5:00 p.m. Eastern (2:00 p.m. Pacific) to discuss the Company's second quarter fiscal 2007 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, world events, conversion of quote activity to purchase orders and 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, 10-Q 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 Operations
(in thousands, except per share data)
(Unaudited)

	Three Months Ended November 30,		Six Months Ended November 30,	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Net sales	\$ 6,249	\$ 5,817	\$13,385	\$10,463
Cost of sales	<u>3,290</u>	<u>3,112</u>	<u>7,173</u>	<u>5,570</u>
Gross profit	<u>2,959</u>	<u>2,705</u>	<u>6,212</u>	<u>4,893</u>
Operating expenses:				
Selling, general and administrative	1,519	1,542	3,154	2,994
Research and development	<u>1,522</u>	<u>1,006</u>	<u>2,909</u>	<u>2,040</u>
Total operating expenses	<u>3,041</u>	<u>2,548</u>	<u>6,063</u>	<u>5,034</u>
Income (loss) from operations	(82)	157	149	(141)
Interest income	134	36	256	80
Other income, net	<u>651</u>	<u>12</u>	<u>867</u>	<u>14</u>
Income (loss) before income taxes	703	205	1,272	(47)
Income tax expense	<u>16</u>	<u>39</u>	<u>28</u>	<u>31</u>
Net income (loss)	<u>\$687</u>	<u>\$166</u>	<u>\$1,244</u>	<u>\$ (78)</u>
Net income (loss) per share				
Basic	\$ 0.09	\$ 0.02	\$ 0.16	\$ (0.01)
Diluted	\$ 0.08	\$ 0.02	\$ 0.15	\$ (0.01)
Shares used in per share calculations:				
Basic	7,749	7,496	7,716	7,489
Diluted	8,243	7,514	8,284	7,489

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 November 30, 2006</u>	<u>Six Months Ended November 30, 2006</u>
Net income	\$ 687	\$1,244
Stock compensation expense	<u>172</u>	<u>335</u>
Income before income taxes, excluding stock compensation expense	859	1,579
Income tax expense	<u>3</u>	<u>6</u>
Net income excluding stock compensation expense	<u>\$ 856</u>	<u>\$1,573</u>
Diluted net income per share excluding stock compensation expense	<u>\$ 0.10</u>	<u>\$ 0.19</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 adopting SFAS 123R and may be higher than net income (the most comparable GAAP measure). The Company believes net income excluding stock compensation expense is a useful measure that allows investors to draw comparison between net income results reported prior to adoption of SFAS 123R and the current period, which may mask underlying trends and make it difficult to give investors perspective on underlying business results.

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

	November 30, 2006	May 31, 2006
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 8,963	\$ 9,405
Short-term investments	3,182	1,600
Accounts receivable, net	3,557	4,531
Inventories	5,938	7,242
Prepaid expenses and other	1,107	357
Total current assets	22,747	23,135
Property and equipment, net	1,032	959
Goodwill	274	274
Other assets	523	525
Total assets	\$24,576	\$24,893
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 901	\$ 1,130
Accrued expenses	2,330	2,347
Deferred revenue	238	2,335
Total current liabilities	3,469	5,812
Deferred lease commitment	247	264
Total liabilities	3,716	6,076
Shareholders' equity:		
Common stock, \$0.01 par value outstanding:		
7,757 and 7,630 shares at November 30, 2006 and May 31, 2006, respectively	77	76
Additional paid-in capital	38,905	38,081
Accumulated other comprehensive income	1,265	1,291
Accumulated deficit	(19,387)	(20,631)
Total shareholders' equity	20,860	18,817
Total liabilities and shareholders' equity	\$24,576	\$24,893