



FOR IMMEDIATE RELEASE

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**AEHR TEST SYSTEMS REPORTS 55% INCREASE IN NET SALES
FOR SECOND QUARTER FISCAL 2008**

Fremont, CA (January 7, 2008) - 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 2008 ended November 30, 2007.

Net sales were \$9.7 million in the second quarter of fiscal 2008, an increase of 55% from \$6.2 million in the second quarter of fiscal 2007. Aehr Test reported net income of \$1.4 million, or \$0.16 per diluted share, in the second quarter of fiscal 2008, compared with net income of \$687,000, or \$0.08 per diluted share, in the second quarter of fiscal 2007.

Net income excluding stock compensation expense of \$203,000 was \$1.6 million, or \$0.19 per diluted share, in the second quarter of fiscal 2008. In the same period of the prior fiscal year, net income excluding stock compensation expense of \$172,000 was \$856,000, or \$0.10 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 and six months ended November 30, 2007 and 2006.

"We are pleased that we generated sequential quarterly sales growth of 26%, while increasing our income from operations by approximately \$1.7 million over the same three month period of the prior fiscal year," said Rhea Posedel, chairman and chief executive officer of Aehr Test Systems. "Our strong performance was driven by increasing revenue from our FOX™-1 full wafer parallel test systems and full wafer test contactors.

"A major accomplishment for the quarter, which we announced today, was shipping our first FOX-15 wafer level burn-in system to a leading automotive IC producer," continued Posedel. "We plan to record revenue for this system upon completion of customer acceptance. We believe that our newly released multi-slot FOX-15 system will help us to better address the burn-in requirements for the growing markets of automotive ICs and known good die."

Net sales were \$17.3 million in the first six months of fiscal 2008, compared with \$13.4 million in the first six months of fiscal 2007. Net income for the six months ended November 30, 2007 was \$2.1

million, or \$0.26 per diluted share, compared with net income of \$1.2 million, or \$0.15 per diluted share, in the same period of the prior fiscal year.

At November 30, 2007, cash and cash equivalents and short-term investments were \$6.9 million. Aehr Test closed the second quarter of fiscal 2008 with no outstanding debt and shareholders' equity of \$26.6 million, or \$3.33 per share outstanding, at November 30, 2007.

Commenting on the outlook for the third quarter of fiscal 2008, Gary Larson, vice president and chief financial officer of Aehr Test Systems, said, "We continue to have a solid backlog for FOX products, which provides good visibility on the near-term performance of the Company. Based on expected shipment schedules for the FOX products, we believe our net sales and net income in the third quarter of fiscal 2008 will be higher than those in the second quarter."

Management Conference Call

Management of Aehr Test will host a conference call and webcast today, January 7, 2008 at 5:00 p.m. Eastern (2:00 p.m. Pacific) to discuss the Company's second 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 November 30,		Six Months Ended November 30,	
	2007	2006	2007	2006
Net sales	\$9,675	\$6,249	\$17,335	\$13,385
Cost of sales	4,791	3,290	8,270	7,173
Gross profit	4,884	2,959	9,065	6,212
Operating expenses:				
Selling, general and administrative	1,847	1,519	3,663	3,154
Research and development	1,445	1,522	3,093	2,909
Total operating expenses	3,292	3,041	6,756	6,063
Income (loss) from operations	1,592	(82)	2,309	149
Interest income	83	134	158	256
Other income (expense), net	(110)	651	(108)	867
Income before income tax expense	1,565	703	2,359	1,272
Income tax expense	199	16	214	28
Net income	\$1,366	\$ 687	\$ 2,145	\$ 1,244
Net income per share				
Basic	\$ 0.17	\$ 0.09	\$ 0.27	\$ 0.16
Diluted	\$ 0.16	\$ 0.08	\$ 0.26	\$ 0.15
Shares used in per share calculations:				
Basic	7,906	7,749	7,866	7,716
Diluted	8,418	8,243	8,359	8,284

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

	Three Months Ended		Six Months Ended	
	November 30,		November 30,	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Net income	\$1,366	\$687	\$2,145	\$1,244
Stock compensation expense	<u>203</u>	<u>172</u>	<u>396</u>	<u>335</u>
Income before income taxes, excluding stock compensation expense	1,569	859	2,541	1,579
Income tax expense	<u>4</u>	<u>3</u>	<u>8</u>	<u>6</u>
Net income excluding stock compensation expense	<u>\$1,565</u>	<u>\$856</u>	<u>\$2,533</u>	<u>\$1,573</u>
Diluted net income per share excluding stock compensation expense	<u>\$ 0.19</u>	<u>\$0.10</u>	<u>\$ 0.30</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 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>November 30,</u> <u>2007</u>	<u>May 31,</u> <u>2007</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,987	\$ 6,564
Short-term investments	951	2,987
Accounts receivable, net	11,554	6,614
Inventories	10,678	9,701
Prepaid expenses and other	371	326
Total current assets	<u>29,541</u>	<u>26,192</u>
Property and equipment, net	1,605	1,689
Goodwill	274	274
Other assets	516	520
Total assets	<u><u>\$31,936</u></u>	<u><u>\$28,675</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,872	\$ 2,517
Accrued expenses	3,098	2,927
Deferred revenue	194	378
Total current liabilities	<u>5,164</u>	<u>5,822</u>
Deferred lease commitment	140	185
Total liabilities	<u>5,304</u>	<u>6,007</u>
Shareholders' equity:		
Common stock, \$0.01 par value outstanding:		
8,001 and 7,820 shares at November 30, 2007		
and May 31, 2007, respectively	80	78
Additional paid-in capital	40,802	39,552
Accumulated other comprehensive income	1,681	1,241
Accumulated deficit	(15,931)	(18,203)
Total shareholders' equity	<u>26,632</u>	<u>22,668</u>
Total liabilities and shareholders' equity	<u><u>\$31,936</u></u>	<u><u>\$28,675</u></u>