



FOR IMMEDIATE RELEASE

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**AEHR TEST SYSTEMS REPORTS THIRD QUARTER
RESULTS FOR FISCAL 2004**

Fremont, CA (March 25, 2004) – Aehr Test Systems (Nasdaq: AEHR), a leading supplier of semiconductor test and burn-in equipment, today announced financial results for the third quarter ended February 29, 2004.

Net sales in the third quarter of fiscal 2004 were \$2.2 million, compared with \$4.0 million in the third quarter of fiscal 2003. The Company posted a net loss of \$1.7 million, or a loss of \$0.24 per share, in the third quarter of fiscal 2004, compared with a net loss of \$988,000, or a loss of \$0.14 per share, in the same period of the prior year.

For the nine months ended February 29, 2004, net sales were \$9.9 million, compared with \$10.5 million in the same period of fiscal 2003. The Company posted a net loss of \$3.5 million, or a loss of \$0.48 per share, for the nine months ended February 29, 2004. Net loss was \$3.9 million, or a loss of \$0.54 per share, for the comparable period of the prior year.

“Net sales were much lower than expected, primarily because of certain customer and manufacturing delays that were resolved after quarter-end. We have already shipped approximately \$2 million in product during the current month,” said Rhea Posedel, chairman and chief executive officer of Aehr Test Systems. “Although we are obviously disappointed with our financial performance this quarter, we met several important operational milestones that set the tone for improved results going forward.

“Today, we announced the shipment of a FOX™ wafer level burn-in system to Fuji Xerox Co., Ltd. We believe that the FOX product line allows customers to save money through the early detection of process defects, driving the continued interest in the product line. Also today, we announced the booking of a \$2 million turnkey, multi-system order for our newly released MTX-Fp+ system. This order is important to Aehr Test because it allows us to penetrate a new production customer for our MTX massively parallel test system,” continued Mr. Posedel.

At February 29, 2004, cash, short-term investments and long-term investments were \$13.1 million, up from \$12.9 million at the end of the second quarter of fiscal 2004. The Company closed the third quarter of fiscal 2004 with no debt outstanding and shareholders’ equity of \$22.7 million, or \$3.08 per share.

“We remain upbeat about our ability to maintain the Company’s position as a market leader and, over the next few quarters, reduce operating losses and return Aehr Test to profitability,” said Gary Larson, vice president of finance and chief financial officer. “Based primarily on the announced MTX-Fp+ system orders and FOX system delivery to Fuji Xerox, we believe net sales in the fourth quarter of fiscal 2004 will be significantly higher than those in the quarter just ended, and also higher than those in the same quarter of the prior year.”

Management Conference Call

Management of Aehr Test will host a conference call and webcast on Thursday, March 25, 2004 at 5:00 p.m. Eastern (2:00 p.m. Pacific) to discuss the Company’s third quarter results. The conference call can be accessed live via the Internet at www.aehr.com. Please go to the Web site at least fifteen minutes early to register, download and install any necessary audio software. A replay of the webcast will be available 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 2,000 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 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 Web site at www.aehr.com.

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, without limitation, economic conditions in Asia and elsewhere, world events, acceptance by Fuji Xerox of the FOX system for burning-in laser diodes, acceptance by customers of the FOX, MTX, MAX and DiePak technologies, the Company’s development and manufacture of a commercially successful wafer-level test and burn-in system, and the potential emergence of alternative technologies, which could adversely affect demand for Aehr Test’s products in calendar year 2004. See Aehr Test’s recent 10-K and 10-Q reports 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		Nine Months Ended	
	February 29, 2004	February 28, 2003	February 29, 2004	February 28, 2003
Net sales	\$ 2,166	\$4,028	\$ 9,928	\$10,464
Cost of sales	<u>1,356</u>	<u>2,512</u>	<u>6,150</u>	<u>6,369</u>
Gross profit	810	1,516	3,778	4,095
Operating expenses:				
Selling, general and administrative	1,414	1,497	4,197	4,660
Research and development	1,134	1,100	3,492	3,295
Total operating expenses	<u>2,548</u>	<u>2,597</u>	<u>7,689</u>	<u>7,955</u>
Loss from operations	(1,738)	(1,081)	(3,911)	(3,860)
Interest income	36	44	306	185
Other income (expense), net	<u>13</u>	<u>99</u>	<u>174</u>	<u>(160)</u>
Loss before income taxes	(1,689)	(938)	(3,431)	(3,835)
Income tax expense	<u>28</u>	<u>50</u>	<u>43</u>	<u>32</u>
Net loss	<u>\$ (1,717)</u>	<u>\$ (988)</u>	<u>\$ (3,474)</u>	<u>\$ (3,867)</u>
Net loss per share				
Basic	\$ (0.24)	\$ (0.14)	\$ (0.48)	\$ (0.54)
Diluted	\$ (0.24)	\$ (0.14)	\$ (0.48)	\$ (0.54)
Shares used in per share calculations:				
Basic	7,270	7,137	7,203	7,162
Diluted	7,270	7,137	7,203	7,162

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

	February 29, 2004 (Unaudited)	May 31, 2003
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 6,710	\$ 8,362
Short-term investments	5,611	2,429
Accounts receivable	1,467	2,889
Inventories	8,307	9,247
Prepaid expenses and other	466	1,640
Total current assets	22,561	24,567
Property and equipment, net	1,337	1,515
Long-term investments	822	607
Other assets, net	1,529	1,558
Total assets	\$26,249	\$28,247
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 819	\$ 748
Accrued expenses	2,104	1,739
Deferred revenue	330	106
Total current liabilities	3,253	2,593
Deferred revenue	30	30
Deferred lease commitment	303	279
Total liabilities	3,586	2,902
Shareholders' equity:		
Common stock, \$.01 par value outstanding:		
7,363 and 7,157 shares at February 29, 2004 and May 31, 2003, respectively	74	72
Additional paid-in capital	37,268	36,364
Net unrealized gain on investments	2	2
Cumulative translation adjustment	1,405	1,519
Accumulated deficit	(16,086)	(12,612)
Total shareholders' equity	22,663	25,345
Total liabilities and shareholders' equity	\$26,249	\$28,247