



FOR IMMEDIATE RELEASE

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**AEHR TEST SYSTEMS REPORTS  
FOURTH QUARTER AND FISCAL 2007 RESULTS**

**Fremont, CA (July 24, 2007) - Aehr Test Systems (Nasdaq: AEHR)**, a leading supplier of semiconductor test and burn-in equipment, today announced financial results for the fourth quarter of fiscal 2007 ended May 31, 2007.

Net sales were \$8.3 million in the fourth quarter of fiscal 2007, an increase of 18.0% from \$7.0 million in the fourth quarter of fiscal 2006. Aehr Test reported net income of \$919,000, or \$0.11 per diluted share, in the fourth quarter of fiscal 2007, compared with net income of \$528,000, or \$0.07 per diluted share, in the fourth quarter of fiscal 2006. Net income excluding stock compensation expense of \$172,000 was \$1.1 million, or \$0.13 per diluted share, in the fourth 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 months and fiscal year ended May 31, 2007.

"We are very pleased with our performance in the fourth quarter, which represented our highest level of quarterly sales in more than six years," said Rhea Posedel, chairman and chief executive officer of Aehr Test Systems. "Our net sales reflect solid contributions from both our FOX™-1 full wafer parallel tester and our MAX burn-in systems. Most importantly, the sales momentum for the FOX-1 systems allowed us to exit fiscal 2007 with a record backlog of \$21.3 million, compared with a \$12.5 million backlog at the end of the prior fiscal year."

Net sales were \$27.4 million in fiscal 2007, an increase of 14.9% over \$23.8 million in fiscal 2006. Net income for the year ended May 31, 2007 was \$2.4 million, or \$0.30 per diluted share, compared with net income of \$810,000, or \$0.11 per diluted share, in the prior fiscal year. Net income excluding stock compensation expense of \$678,000 was \$3.1 million, or \$0.38 per diluted share, in fiscal 2007.

At May 31, 2007, cash and cash equivalents and short-term investments were \$9.6 million. Aehr Test closed the fourth quarter of fiscal 2007 with no outstanding debt and shareholders' equity of \$22.7 million, or \$2.90 per share outstanding, at May 31, 2007.

Commenting on the outlook for the first quarter of fiscal 2008, Gary Larson, vice president and chief financial officer of Aehr Test Systems, said, “Based on our solid backlog of FOX products, we expect to get off to a good start in fiscal 2008 with net sales and net income in the first quarter being similar to our fourth quarter results.”

### **Management Conference Call**

Management of Aehr Test will host a conference call and webcast today, July 24, 2007 at 5:00 p.m. Eastern (2:00 p.m. Pacific) to discuss the Company’s fourth quarter fiscal 2007 operating results. The conference call will be accessible live via the internet at [www.aehr.com](http://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](http://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<sup>TM</sup>, MTX and MAX systems and the DiePak<sup>®</sup> 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](http://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 Income**  
(in thousands, except per share data)  
(unaudited)

	Three Months Ended		Year Ended	
	May 31,		May 31,	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Net sales	\$ 8,279	\$ 7,019	\$27,351	\$23,801
Cost of sales	<u>3,896</u>	<u>3,814</u>	<u>13,438</u>	<u>13,165</u>
Gross profit	<u>4,383</u>	<u>3,205</u>	<u>13,913</u>	<u>10,636</u>
Operating expenses:				
Selling, general and administrative	1,765	1,520	6,538	5,842
Research and development	<u>1,781</u>	<u>1,284</u>	<u>6,324</u>	<u>4,339</u>
Total operating expenses	<u>3,546</u>	<u>2,804</u>	<u>12,862</u>	<u>10,181</u>
Income from operations	837	401	1,051	455
Interest income	101	98	491	255
Other income (expense), net	<u>24</u>	<u>(37)</u>	<u>961</u>	<u>79</u>
Income before income tax expense (benefit)	962	462	2,503	789
Income tax expense (benefit)	<u>43</u>	<u>(66)</u>	<u>75</u>	<u>(21)</u>
Net income	<u>\$ 919</u>	<u>\$ 528</u>	<u>\$ 2,428</u>	<u>\$ 810</u>
Net income per share				
Basic	\$ 0.12	\$ 0.07	\$ 0.31	\$ 0.11
Diluted	\$ 0.11	\$ 0.07	\$ 0.30	\$ 0.11
Shares used in per share calculations:				
Basic	7,807	7,574	7,751	7,515
Diluted	8,218	7,859	8,225	7,605

**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 May 31, 2007	Fiscal Year Ended May 31, 2007
Net income	\$ 919	\$ 2,428
Stock compensation expense	172	678
Income before income taxes, excluding stock compensation expense	1,091	3,106
Income tax expense	3	12
Net income excluding stock compensation expense	\$ 1,088	\$ 3,094
 Diluted net income per share excluding stock compensation expense	 \$ 0.13	 \$ 0.38

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)

	<u>May 31,</u> <u>2007</u>	<u>May 31,</u> <u>2006</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 6,564	\$ 9,405
Short-term investments	2,987	1,600
Accounts receivable, net	6,614	4,531
Inventories	9,701	7,242
Prepaid expenses and other	326	357
Total current assets	<u>26,192</u>	<u>23,135</u>
Property and equipment, net	1,689	959
Goodwill	274	274
Other assets	520	525
Total assets	<u><u>\$28,675</u></u>	<u><u>\$24,893</u></u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 2,517	\$ 1,130
Accrued expenses	2,927	2,347
Deferred revenue	378	2,335
Total current liabilities	<u>5,822</u>	<u>5,812</u>
Deferred lease commitment	185	264
Total liabilities	<u>6,007</u>	<u>6,076</u>
Shareholders' equity:		
Common stock, \$0.01 par value outstanding:		
7,820 and 7,630 shares at May 31, 2007		
and May 31, 2006, respectively	78	76
Additional paid-in capital	39,552	38,081
Accumulated other comprehensive income	1,241	1,291
Accumulated deficit	(18,203)	(20,631)
Total shareholders' equity	<u>22,668</u>	<u>18,817</u>
Total liabilities and shareholders' equity	<u><u>\$28,675</u></u>	<u><u>\$24,893</u></u>