

NOVELLUS SYSTEMS AND SHANGHAI'S FUDAN UNIVERSITY ESTABLISH SEMICONDUCTOR MANUFACTURING TECHNOLOGY RESEARCH CENTER

SHANGHAI, China, October 16, 2003--Novellus Systems, Inc. (Nasdaq NM: NVLS), the productivity and innovation leader in advanced deposition, surface preparation and chemical mechanical planarization (CMP) processes for the global semiconductor industry, today signed a partnership agreement with Fudan University of Shanghai, China, to establish a semiconductor manufacturing technology research center. The Fudan-Novellus Interconnect Research Center--initially located on Fudan University's Handan Road, Shanghai campus--will be equipped with a complete suite of Novellus' copper semiconductor manufacturing tools, and will function as a regional research hub for copper interconnect technology, serving Fudan students, research groups at other universities and Novellus' regional customers.

Shanghai's location as a microelectronics development center, and its government-approved role as an integrated circuit (IC) research and development site, have fueled Fudan University's emergence as a leading institution for the training and cultivation of scientific and technical talent. The university houses China's sole ASIC and Systems laboratory and serves as a critical resource for microelectronics studies. Its focus on advanced technology studies has earned it a top role in many important national initiatives. The new interconnect research center will enhance the academic and practical training experience of the university's microelectronics students, and help to seed China's fast-growing semiconductor industry with engineers and scientists schooled in the latest-generation manufacturing technologies.

"Today's ICs are becoming faster, smaller and significantly more powerful," said Professor Wang Shenghong, President of Fudan University. "The production of such advanced ICs is reliant on sophisticated deposition and interconnect technologies. Novellus enjoys global recognition as a pioneer in semiconductor manufacturing technology, especially in the area of the interconnect. The four donated systems for IC interconnect and deposition technology research will play a very important role in bolstering Fudan University's microelectronics program, nurturing future talent, cultivating technological expertise and inspiring industry cooperation. We highly appreciate Novellus' vision and commitment."

"The opportunity to contribute to Fudan University's cultivation of China's technical talent is an honor for Novellus," said the company's Vice President of Research and Development, Chien Chiang. "We have long recognized China's growth potential and we believe that the region is on its way to becoming one of the world's major microelectronics manufacturing centers. As this trend unfolds, it is essential that China's microelectronics students have the knowledge, skills and access to tools that will enable their future success. Fudan's reputation as a leading incubator of China's new-generation technologists, along with its proximity to the region's semiconductor manufacturers, were the deciding factors in our choice of partner for this significant endeavor."

Under the terms of the partnership agreement, Novellus will donate a complete suite of copper tools that include a plasma-enhanced chemical vapor deposition (PECVD) intermetal dielectric (IMD) system, a copper electrochemical deposition (ECD) system, a physical vapor deposition (PVD) barrier/seed system and a copper CMP system. For its part, Fudan University will establish a state-of-the-art collaboration center to house the tools, and will ensure that the center is fully staffed and maintained to provide a laboratory environment for both undergraduate and graduate students. The center will initially be located on the university's Handan Road campus, but it will be relocated to its Zhangjiang campus--in the heart of China's semiconductor manufacturing district--when construction at this site has been completed.

Added Chiang, "Copper technologies are creating new cost and performance benchmarks in semiconductor manufacturing. In China, an emerging manufacturing center, our customers are looking to combine high-productivity tools with low capital costs. It is critical, therefore, that the region's future technologists are introduced early to copper processing tools at institutions of higher learning such as Fudan University. The knowledge they acquire will only increase their value to potential future employers."

"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995: The statements regarding (i) Novellus' belief that the China region is on its way to becoming one of the world's major microelectronics manufacturing centers, (ii) the relocation of the Fudan-Novellus Interconnect Research Center to Fudan

University's Zhangjiang campus, and (iii) copper technologies creating new cost and performance benchmarks in semiconductor manufacturing, as well as other matters discussed in the news release that are not purely historical data, are forward-looking statements. The forward-looking statements involve risks and uncertainties including, but not limited to, slower economic development in the China region, unanticipated difficulties in construction of Fudan University's Zhangjiang campus, a slowdown in the move toward copper technologies, and other risks discussed in our filings with the Securities and Exchange Commission (SEC). Actual results could differ materially. Novellus assumes no obligation to update this information. For more details, please refer to our SEC filings, including our Annual Report on Form 10-K for the year ended December 31, 2002 and our Quarterly Reports on Form 10-Q for the quarters ended March 29, 2003 and June 28, 2003.

About Novellus:

Novellus Systems, Inc., an S&P 500 company, manufactures, markets and services advanced deposition, surface preparation and chemical mechanical planarization equipment for today's advanced integrated circuits. Our products are designed for high-volume production of advanced, leading-edge semiconductor devices at the lowest possible cost. Headquartered in San Jose, Calif., with subsidiaries throughout the United States, as well as in the United Kingdom, France, Germany, the Netherlands, Ireland, Israel, India, China, Japan, Korea, Malaysia, Singapore and Taiwan, we are a publicly traded company on the Nasdaq stock exchange (Nasdaq: NVLS) and a component of the Nasdaq-100 Index®. Additional information about Novellus is available on our home page at www.novellus.com

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