

# CHARTERED TEAMS WITH NOVELLUS TO ADVANCE COPPER CMP

SAN JOSE, Calif., June 6, 2005--Novellus Systems, Inc. (Nasdaq NM: NVLS), the productivity and technology leader in advanced deposition, surface preparation and chemical mechanical planarization (CMP) processes for the global semiconductor industry, today announced a multi-phase joint development program (JDP) with Chartered Semiconductor Manufacturing (Nasdaq: CHRT and SGX-ST: Chartered) focused on reducing the cost of CMP technology for advanced copper applications. Phase one of the JDP calls for the placement of Novellus' 300-mm Xceda CMP system at Chartered's Fab 7 for 130-nm and 90-nm copper processes, while subsequent phases will deploy Xceda for process development at the 65-nm and smaller technology nodes.

"Xceda has the potential to meet our copper CMP performance needs, while reducing costs and improving throughput on our 300mm, 90-nm volume production lines," said L.C. Hsia, senior vice president of technology development at Chartered. "The tool's technical capabilities and extendible architecture also make it a viable contender to support our future process development efforts at advanced nodes."

Novellus' Xceda platform has been engineered to overcome both the technical and economic challenges of planarizing next-generation multi-level copper/low-k structures. With as many as ten metal layers required for such advanced structures, copper CMP is a critical process step. However, it is also considered one of the highest cost-of-ownership (CoO) steps in the fab--primarily due to the high cost of polishing consumables. As a result, it can have a significant impact on overall wafer fabrication costs, especially in the competitive foundry business.

To address these escalating cost concerns and deliver the CMP performance chipmakers need, Xceda incorporates a number of design advances. For example, a unique through-the-pad slurry management system and patented pad design cuts slurry usage by up to 40 percent. Xceda's four independent polishing modules maximize control over the polishing profile, while setting new throughput and productivity standards for advanced CMP application needs. Finally, the tool's unique central access aisle helps reduce servicing times by improving the accessibility of critical components. When combined, these advances make Xceda a compelling economic buy for cost-conscious semiconductor manufacturers with exacting CMP process standards.

Citing Xceda's productivity advantages and enabling technology, Novellus' chairman and chief executive officer, Richard Hill, said, "We believe that the industry is looking to Novellus to bring increased productivity and reduced cost-of-ownership to CMP, much as we've done with other manufacturing technologies. We're pleased to be partnering with Chartered to support the company's advanced copper CMP processing needs."

"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995:

The statements regarding (i) our positive outlook regarding the multi-phase joint development program with Chartered; (ii) the belief in Xceda's abilities to reduce the cost of CMP technology and improve throughput on Chartered's 300mm, 90-nm volume production lines; (iii) Xceda's viability with regard to support of Chartered's future process development efforts at advanced nodes; and (iv) our belief that the industry is looking to Novellus to bring increased productivity and reduced cost-of-ownership to CMP, as well as other matters discussed in this 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, unanticipated difficulties in coordination between Novellus and Chartered, technical difficulties that could lead to increased costs and decreased throughput for Xceda, Xceda's lack of extendibility to advanced nodes, our inaccurate assessment of industry needs with regard to CMP technology, and other risks indicated in our filings with the Securities and Exchange Commission (SEC). Actual results could differ materially. We do not assume, and expressly disclaim, any 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, 2004, our Quarterly Report on Form 10-Q for the quarter ended April 2, 2005, and our Current Reports on Form 8-K filed or furnished April 7, 2005, April 18, 2005, April 29, 2005, and May 5, 2005.

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, Italy, 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](http://www.novellus.com).

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