

Novellus Systems Launches INOVA NExT with HCM IONX for 32nm PVD Copper Barrier/Seed Extendibility

San Jose, Calif., July 16, 2007 - Novellus Systems, Inc. (Nasdaq: NVLS), today introduced INOVA NExT with HCM IONX, the latest enhancement to Novellus' 300 mm INOVA® metallization system. HCM (Hollow Cathode Magnetron) IONX is the next generation of ionized physical vapor deposition (PVD) source technology, which enables thin film barrier and copper seed deposition scalability for the 32nm node. The pioneer of PVD barrier re-sputter, Novellus has leveraged its extensive experience to launch a production-proven system capable of copper seed re-sputter - a key requirement for all advanced generation copper interconnects. HCM IONX provides improved metallic film overhang, step coverage and film quality for tantalum barrier and copper seed processes. This differentiated source technology can be applied to other thin film metal applications, including titanium and aluminum.

Leading edge logic and memory manufacturers are challenged by demanding critical dimensions (CDs) and the need for reduced overhang of copper barrier and seed layers. This is especially true in copper memory devices where the most difficult CDs are a generation ahead of logic devices. HCM IONX re-sputter technology is an essential component of reducing film overhang during deposition, and it provides the most extendible seed layer available in the market.

HCM IONX generates a high-density plasma which improves step coverage and film quality, leading to improved copper interconnect performance. Novellus' innovations to the source technology provide up to a four times increase in plasma density and more effective control of the ionized flux that arrives at the wafer. These technology advancements are achieved while delivering world-class productivity and defect performance at the lowest cost of ownership. INOVA NExT with HCM IONX is currently being qualified by multiple memory and logic manufacturers, while other customers have already adopted it as their tool of record.

"Customer feedback on HCM IONX is very positive, with a clear indication that the technology is setting the benchmark for copper seed extendibility," said David Smith, senior vice president and general manager of Novellus' Metal Interconnect Business Group. "Our copper seed re-sputter technology is well positioned to help leading edge manufacturers address the requirements of their critical dimensions, especially in memory as they transition to copper. HCM IONX is another example of Novellus' continuous innovation to extend technology, while offering the lowest cost of ownership."

About INOVA NExT

INOVA NExT is a 300 mm metallization system for copper barrier/seed and aluminum applications. An extension of Novellus' successful INOVA platform, INOVA NExT features advanced physical vapor deposition technology, ion-induced atomic layer deposition (iALD), and a wide array of manufacturability innovations that further enhance the benchmark productivity already demonstrated at leading semiconductor companies around the world.

About Novellus:

Novellus Systems, Inc. (Nasdaq: NVLS) is a leading provider of advanced process equipment for the global semiconductor industry. The company's products deliver value to customers by providing innovative technology backed by trusted productivity. An S&P 500 company, Novellus is headquartered in San Jose, Calif. with subsidiary offices across the globe. For more information please visit www.novellus.com.

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

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements that (i) the Company's belief that HCM IONX provides the most extendible seed layer available on the market, (ii) the Company's belief that customers have already adopted HCM IONX as their tool of record, (iii) the Company's belief that the positive feedback on HCM IONX is a clear indication that the technology is setting the benchmark for copper seed extendibility, (iv) the Company's belief that its copper seed re-sputter technology is well positioned to help leading edge manufacturers address the requirements of their critical dimensions and (v) the belief that HCM IONX is another example of Novellus' continuous innovation to extend

technology while offering the lowest cost of ownership. Forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those contemplated by the forward-looking statements. Such risks and uncertainties include, but are not limited to, difficulties related to introducing HCM IONX into the market, the introduction of competitive products in the market which affect customers adopting HCM IONX as their tool of record, failure to accurately predict the extendibility of HCM IONX in the market based on positive feedback from customers, unforeseen disruptions in the manufacturing and production of HCM IONX which affects the requirements of critical manufacturing dimensions, the lack of adequate components and materials necessary for the production of INOVA NExT with HCM IONX, and unforeseen expenses related to the manufacturing of HCM IONX which affect the cost of production, as well as other risks indicated in our filings with the Securities and Exchange Commission (SEC). For more details, please refer to our SEC filings and the amendments thereto, including our Annual Report on Form 10-K for the year ended December 31, 2006, our Quarterly Reports on Form 10-Q for the quarter ended March 31, 2007 and our Current Reports on Form 8-K. Forward-looking statements are made and based on information available to us on the date of this press release, and we assume no obligation to update them.

INOVA is a registered trademark and IONX is a trademark of Novellus Systems, Inc.

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