NOVELLUS SHIPS 100TH VECTOR EXTREME SYSTEM

SAN JOSE, Calif. - July 7, 2011 - Novellus Systems (NASDAQ: NVLS) today announced that it has shipped the company's 100th VECTOR[®] Extreme™ plasma-enhanced chemical vapor deposition (PECVD) system used for depositing thin dielectric films. Already deployed at all of the major memory fabs around the world, this milestone system will be installed at a leading Asian memory manufacturer.

Introduced in July of 2007, VECTOR Extreme is a 300mm platform specifically designed to meet the needs of memory "mega-fabs," defined as semiconductor manufacturing facilities with production outputs typically in excess of 100,000 wafers per month. Providing industry-leading throughputs greater than 300 wafers per hour, VECTOR Extreme features a central wafer transfer module with a dual wafer handling robot, allowing the integration of up to three PECVD process chambers on a single system with as many as 12 deposition stations. VECTOR Extreme delivers the same process performance as the popular VECTOR Express product line, providing manufacturers with the ability to scale up manufacturing volume with complete confidence. In comparison to industry benchmarks, VECTOR Extreme improves capital productivity by more than 25 percent, reduces the number of tools required for a given production output by more than 40 percent and has the lowest cost of ownership. Moreover, the VECTOR Extreme platform incorporates energy saving features that reduce energy consumption by 15 percent to 30 percent as compared to competing product offerings. VECTOR Extreme delivers exceptional process results, with excellent wafer-to-wafer repeatability and single-digit defect performance in sub-70nm particle sizes.

"We are very pleased to be commemorating the shipment of the 100th VECTOR Extreme system," said Sesha Varadarajan, senior vice president of Novellus' PECVD business unit. "Achievement of this milestone was only possible because VECTOR Extreme addressed a critical need of memory manufacturers, the need to lower cost. Leveraging the inherent advantages of Novellus' multi-station sequential processing architecture, VECTOR Extreme delivers the highest wafer output per unit area, resulting in the lowest cost of ownership relative to competing products."

For more information about VECTOR Extreme, please visit www.novellustechnews.com.

About Novellus' PECVD Technology:

The multi-station sequential processing (MSSP) architecture of Novellus' VECTOR platform allows for independent temperature and flow control to its deposition stations, critical in meeting the integration needs of sub-3x nm technology nodes. More than 1,000 VECTOR systems have been installed in logic, memory and foundry fabs 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 <u>www.novellus.com</u>.

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