NOVELLUS STREAMLINES CORPORATE STRUCTURE TO PREPARE FOR FUTURE GROWTH

NOVELLUS STREAMLINES CORPORATE STRUCTURE TO PREPARE FOR FUTURE GROWTH SAN JOSE, Calif., Jan. 14, 2002--Novellus Systems Inc. (Nasdaq:NVLS), the productivity and innovation leader in advanced deposition and surface preparation processes for the global semiconductor industry, today announced a new corporate organization that positions Novellus to drive the next stage of the company's growth. The new organization expands the office of the chief executive officer (CEO), re-establishes the office of chief technology officer (CTO), and bolsters the marketing and finance functions.

As the new executive vice president for administration, Robert Smith, formerly executive vice president for finance and administration, will join Chairman of the Board and CEO Richard S. Hill and President Peter Hanley in the office of the CEO. Created in May 2001, the office of the CEO oversees the strategic, operational, and financial activities of the company and assures the continuity and consistency of management processes across the corporation.

The newly reinstated office of CTO will be filled by Drs. Wilbert van den Hoek, who adds the title of chief technology officer to his current role as executive vice president of integration and advanced development. Van den Hoek has held a series of increasingly responsible positions at Novellus since joining the company in 1990, including vice president of the company's dielectric business unit and senior director of dielectric technology. From 1980 to 1990, he held various management positions in the Philips Electronics Research Organization in both The Netherlands and the United States. He earned his doctorandus degree from Rijks Univeristeit, Utrecht, Netherlands.

Kevin Jennings, formerly vice president of business development, will become Novellus' new vice president of corporate marketing. Jennings, who rejoined Novellus in 2000, most recently served as vice president of business development. From 1998 to 2000, he was vice president of software engineering at KLA-Tencor, and from 1990 to 1998, he held various positions at Novellus in the software and software controls area. He holds a bachelor of science degree in engineering and engineering technology from DeVry Institute and a master's in business administration from Pepperdine University.

Kevin Royal has been promoted to the position of chief financial officer. As CFO, Royal will assume responsibility for human resources, finance, legal, facilities and investor relations. Royal joined Novellus in 1996 and most recently served as vice president and controller. Prior to joining the company, he worked in Ernst and Young's Northern California high technology practice for 10 years. Royal is a CPA and earned a bachelor's degree in accounting from Harding University.

Additional members of Novellus' senior management team will take on new responsibilities as a result of the reorganization. John Chenault, formerly executive vice president of the deposition products group, will become the company's new executive vice president for worldwide sales and service, replacing Peter Hanley, who was acting in this position. Jeffrey Benzing, formerly Novellus' executive vice president of systems development, engineering and manufacturing operations, assumes the position of executive vice president for the deposition products group.

"Looking forward, Novellus is extremely well positioned with 300 mm copper dual damascene products and technology, the future of semiconductor device interconnects," said Richard S. Hill. "We're confident that when the industry upturn does come, we'll return to strong growth. The organization we've put in place today positions us for this future, especially with the re-establishment of the CTO office and the enhancement of our corporate marketing function. The reorganization also provides new development opportunities for a number of our key management staff. It is their knowledge, skills, and abilities that have helped to foster the company's rapid growth over the past eight years, and that will help assure our success in the future."

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: The statements in this press release regarding (i) Novellus being positioned for the next stage of the Company's growth, (ii) the assurance of the continuity and consistency of management processes across the corporation, (iii) the Company being well-positioned with dual damascene products and technology, and (iv) the assurance of management's success in the future, 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, which could cause actual results to differ materially, including, but not limited to: the Company's infrastructure being inadequate or excessive for the actual growth, if any, that occurs; the Company's inability to implement and maintain consistent management processes in a timely manner; a competitor's introduction of more advanced or more capable dual damascene processes; the knowledge, skills and ability of management not being adequate for a changing economic climate; as well as other risks indicated 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 relating to risks and uncertainties that could cause actual results to materially differ from those made in these forward-looking statements, and risks to our

business in general, please refer to Novellus' SEC filings, including its most recent Annual Report on Form 10-K for the year ended December 31, 2000, and quarterly reports on Form 10-Q for the quarters ended March 31, June 30 and September 30, 2001.

About Novellus Systems

Novellus Systems Inc., an S&P 500 company, manufactures, markets and services advanced deposition and surface preparation equipment for today's advanced integrated circuits. The company's 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 U.S. as well as the United Kingdom, France, Germany, The Netherlands, Spain, Ireland, Israel, Italy, China, Japan, Korea, Singapore and Taiwan, Novellus is a publicly traded company on the Nasdaq stock exchange (Nasdaq:NVLS). Additional information about the company is available on Novellus' home page on the World Wide Web, located at www.novellus.com

For additional biographical information on the executives mentioned in this release, please visit Novellus' home page at www.novellus.com

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