NOVELLUS' SPEEDTM FLUORINATED SILICATE GLASS (FSG) FILM ENABLES HIGH-PERFORMANCE 300-MM COPPER DUAL DAMASCENE PRODUCTION

NOVELLUS' SPEED^{TM} FLUORINATED SILICATE GLASS (FSG) FILM ENABLES HIGH-PERFORMANCE 300-MM COPPER DUAL DAMASCENE PRODUCTION SAN JOSE, Calif., Jan. 16, 2002-Novellus Systems Inc. (Nasdaq:NVLS), the productivity and innovation leader in thin-film deposition and surface preparation technology for the global semiconductor industry, today announced that Texas Instruments (TI) has selected Novellus' SPEED^{TM} fluorinated silicate glass (FSG) film for copper dual damascene production applications on 300-mm wafers. TI conducted an extensive review of films and vendors and selected the SPEED FSG tool based on its k-value of less than 3.6, demonstrated enhanced thermal stability and reduced sensitivity to moisture in fully integrated production devices.

"Novellus has been a key partner in the integration of these films onto 300-mm wafers. Their commitment to work through technical issues was an important element in selecting their tool for these applications," said Greg Winterton, engineering manager of TI's wafer fabrication facility, DMOS6. "Additionally, the system has given us the reproducibility and reliability needed to run the process in high-volume manufacturing."

Commenting on Novellus' longtime relationship with top-tier chipmakers such as TI, Dr. Joseph Laia, vice president and general manager of the company's high density plasma (HDP) business unit, attributed Novellus' dominant position in the 300-mm HDP arena to the success of such collaborative efforts. "Strong customer partnerships play a critical role in our ability to bring best-of-breed technologies such as SPEED to market. Our 300-mm product is built upon the same design principles that have differentiated our 200-mm system within this market segment, and it is the only 300-mm HDP tool running in high-volume production today."

According to both VLSI Research and Gartner/Dataquest, the HDP chemical vapor deposition (CVD) market- which currently stands at $1.2 billion-is expected to increase to more than $2 billion by 2005. Novellus' share of this market segment grew by more than 10 percent over the past two years.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: The statements in this press release regarding (i) the ability of the Company's SPEED FSG with regard to reproducibility and reliability in high volume manufacturing; (ii) the SPEED FSG tool's dominant market position at 300 mm and (iii) the forecasted growth of the HDP CVD market, 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: unforeseen productivity problems with the SPEED FSG tool in very high volume manufacturing; a competitor possibly introducing a tool more competitive with the SPEED FSG tool that would diminish the product's market share; and continued or increased industry and economic slow downs or recessions that could curtail the HDP CVD market; 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 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 United States as well as in the United Kingdom, France, Germany, The Netherlands, Spain, Ireland, Israel, 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 at www.novellus.com

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