Novellus Wins Intel's Preferred Quality Supplier Award

SAN JOSE, Calif., March 25, 2003—Novellus Systems, Inc. (Nasdaq NM: NVLS) was named a recipient of Intel Corporation's Preferred Quality Supplier (PQS) award for outstanding performance in providing products and services deemed essential to Intel's success. The company was awarded for its efforts in supplying Intel with fab equipment for thin-film deposition and surface preparation. Novellus and 28 additional PQS award winners will be honored at a celebration in Burlingame, Calif., on March 26.

"Once again, Novellus is honored to be the recipient of Intel's Preferred Quality Supplier award," said Richard S. Hill, chairman of the board and chief executive officer of Novellus Systems, Inc. "We are proud to be recognized by Intel for meeting this valued customer's high standards for system productivity, quality and world-class service. The pattern of success that Novellus has demonstrated with Intel is a source of great pride for our company and a tribute to the dedicated efforts of our global employees."

"Intel is pleased to recognize Novellus as a winner of our Preferred Quality Supplier Award for 2002," said Robert Bruck, director, Intel Fab Capital Equipment Development. "Novellus has met or exceeded the very demanding PQS performance requirements across multiple product lines and across our global factory network, for three consecutive years. This achievement is especially notable coming during a time of rapid technology transitions and within such a challenging economic environment."

Novellus Wins Intel's PQS Award

The PQS awards are part of Intel's Supplier Continuous Quality Improvement (SCQI) process that encourages suppliers to strive for excellence and continuous improvement. To qualify for PQS status, suppliers must score 80 percent on a report card that assesses performance and ability to meet cost, quality, availability, delivery, technology and responsiveness goals. Suppliers must also manage and deliver on a challenging improvement plan and a quality systems assessment.

About Intel

Intel, the world's largest chip maker, is also a leading manufacturer of computer, networking and communications products. Additional information about Intel is available at http://www.intel.com/pressroom/

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. 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, Ireland, Israel, Italy, India, China, Japan, Korea, Malaysia, Singapore and Taiwan, Novellus is a publicly traded company on the Nasdaq stock exchange (Nasdaq: NVLS) and a component of the Nasdaq-100 Index*. Additional information about the company is available on Novellus' home page at http://www.novellus.com/

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