NOVELLUS SYSTEMS REPORTS RESULTS FOR THE FIRST QUARTER 2003

SAN JOSE, Calif., April 14, 2003—Novellus Systems, Inc. (Nasdaq NM: NVLS) today reported net sales and results of operations for its first quarter ended March 29, 2003. Net sales for the quarter were $238.4 million, up 9.6 percent from $217.6 million in the fourth quarter of 2002 and up 40.5 percent from the first quarter 2002 net sales of $169.7 million. Net income for the first quarter of 2003 was $11.9 million or $0.08 per diluted share, up $8.9 million or 296.7 percent from the fourth quarter 2002 net income of $3.0 million or $0.02 per diluted share. Net income for the first quarter of 2003 increased $8.1 million or 213.2 percent from the first quarter 2002 net income of $3.8 million or $0.03 per diluted share.

Net income for the first quarter of 2003 was $11.9 million or $0.08 per diluted share and did not include any unusual charges or benefits. The fourth quarter 2002 results included $3.2 million of restructuring and severance charges and a $9.0 million in-process research and development charge related to the acquisition of SpeedFam-IPEC, Inc. Without these charges, the fourth quarter 2002 net income would have been $14.0 million or $0.09 per diluted share. The first quarter 2002 results included a net benefit of $9.0 million. This net benefit reflects the combined effect of a $7.7 million benefit for recovery of a receivable previously reserved and a $4.6 million gain on a sale of an investment, offset by $3.3 million of severance payments. The $4.6 million gain on the sale of investment is classified in other income. Without these charges and benefits, the first quarter 2002 results would have been a net loss of $3.3 million or $(0.02) per diluted share. The financial measures presented above, which exclude certain charges, are not in accordance with Accounting Principles Generally Accepted in the United States of America (GAAP). The non-GAAP financial measures are considered useful to investors by company management as they provide insight into the results of ongoing operations.

Shipments of $235.2 million in the first quarter of 2003 represent an increase of $44.2 million or 23.1 percent compared to $191.0 million reported in the fourth quarter of 2002. Deferred revenue at the end of the first quarter of 2003 was $127.0 million, a decrease of $3.1 million or 2.4 percent from $130.1 million at the end of the fourth quarter of 2002.

Cash, cash equivalents and short-term investments as of March 29, 2003 were $929.8 million, a decrease of $90.2 million or 8.8 percent from the fourth quarter of 2002 ending balance of $1.02 billion. The decrease was primarily due to the repayment of SpeedFam-IPEC's convertible debt at a redemption price of $117.1 million and accrued interest of $2.2 million, offset by positive cash generated from operations which included $18.5 million from an income tax refund.

Richard S. Hill, chairman and chief executive officer, said, "The demand for semiconductor capital equipment remains sluggish. However, in this challenging environment, we will continue to focus our efforts in areas with the best growth opportunities, continue to deploy advanced technologies, and use our financial strength to forge ahead with strategic research and development projects."

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

The statements regarding (i) sluggish demand for semiconductor capital equipment, (ii) our continued focus on areas with the best growth opportunities, (iii) our continued deployment of advanced technologies, and (iv) our use of our financial strength to carry on strategic research and development projects, as well as other matters discussed in this news release that are not purely historical data, are forward-looking statements. The forward-looking statements involve risks and uncertainties, including, but not limited to, a severe downturn in the demand for semiconductor capital equipment, our inability to accurately identify the best areas of growth opportunities, unanticipated difficulties in our deployment of advanced technologies, our inability to allocate sufficient funds to strategic research and development projects, and other risks indicated in our filings with the Securities and Exchange Commission (SEC). Actual results could differ materially. We assume no obligation to update this information. For more details, please refer to our SEC filings, including our Annual Report on Form 10-K for the year ended December 31, 2002.

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. Our 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, India, China, Japan, Korea, Malaysia, Singapore and Taiwan, we are a publicly traded company on the Nasdaq stock exchange (Nasdaq: NVLS) and a component of the Nasdaq-100 Index®. Additional information about Novellus is available on our home page at www.novellus.com.

2003