NOVELLUS ANNOUNCES RENEWAL OF STOCK REPURCHASE PROGRAM

SAN JOSE, Calif., February 23, 2004--Novellus Systems, Inc. (Nasdaq NM: NVLS), the productivity and innovation leader in advanced deposition, surface preparation and chemical mechanical planarization processes for the global semiconductor industry, today announced that its board of directors has renewed a stock repurchase program originally approved in September 2001. Under the repurchase program, the Company may repurchase up to $500 million of its outstanding common stock through February 13, 2007.

"We have tremendous confidence in our industry and in our technology-leading position, both today and into the future," said Richard S. Hill, chairman and chief executive officer of Novellus. "We believe that this stock repurchase program is in the best interest of our shareholders."

Effective immediately, the Company may repurchase the shares from time to time in the open market, through block trades or otherwise. The repurchases may be commenced or suspended at any time or from time to time without prior notice depending on prevailing market conditions and other factors. All or a portion of the shares repurchased by the Company may be used for the Company's stock option or employee stock purchase programs. As of February 13, 2004, Novellus has approximately 153,096,426 shares outstanding. Since September 2001, Novellus has repurchased a total of approximately 3,046,000 shares.

Novellus also announced the grant of employment inducement stock option and restricted stock awards to Dr. Sasson "Sass" Somekh, who recently joined the Company as President. Dr. Somekh may purchase up to 250,000 shares of Novellus Common Stock at an exercise price of $32.53 per share pursuant to an inducement stock option. The shares subject to the stock option vest over a four-year period. Dr. Somekh also was awarded 50,000 shares of Novellus Common Stock pursuant to an inducement restricted stock award. The restricted stock vests over a five-year period.

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

The statements regarding Novellus' (i) confidence in the semiconductor equipment industry, (ii) technology-leading position and (iii) belief that the stock repurchase program is in the best interests of its shareholders, as well as other matters discussed in this news release that do not concern purely historical data, are forward-looking statements. The forward-looking statements involve risks and uncertainties, including, but not limited to, slowdowns in the rate of capital investment by semiconductor manufacturers, unexpected difficulties in selecting, developing, manufacturing and marketing Novellus' new products or enhancing Novellus' existing products, Novellus' failure to take advantage of other more attractive investment opportunities, and other risks and uncertainties discussed 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 relating to risks and uncertainties that could cause actual results to differ from those anticipated in our forward-looking statements, and risks to our business in general, please refer to our SEC filings, including our Annual Report on Form 10-K for the year ended December 31, 2002 and our Quarterly Reports on Form 10-Q for the quarters ended March 29, 2003, June 28, 2003 and September 27, 2003.

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, Italy, 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

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