NOVELLUS ANNOUNCES INCORPORATION OF THE NOVELLUS DEVELOPMENT COMPANY

SAN JOSE, Calif., Feb. 15, 2005--Novellus Systems, Inc. (Nasdaq NM: NVLS), the productivity and technology leader in advanced deposition, surface preparation and chemical mechanical planarization processes for the global semiconductor industry, today announced the incorporation of the Novellus Development Company, a venture fund that will focus on strengthening Novellus' technology portfolio for both existing and new potential market opportunities. Incorporated in Delaware, with $10 million in seed money, the company will work under the direction of Drs. Wilbert G. M. van den Hoek, the chief technology officer (CTO) of Novellus Systems, Inc. Van den Hoek will serve as the president and chief executive officer of the new corporation, while continuing to serve as Novellus' CTO.

The Novellus Development Company will seek to drive top-line revenue growth for Novellus Systems in two ways. First, through making partial investments, the fund will expand the served available market (SAM) for Novellus' current product portfolio. Second, the fund will also consider investments in technologies and applications beyond the semiconductor manufacturing sector in which Novellus' competencies in thin film deposition, surface preparation and polishing may be brought to bear.

"Given the breadth of the Novellus management team, and vitality of our technology portfolio, we are well positioned to evaluate, cultivate and, ultimately, expand our product range within semiconductors and beyond," said Richard S. Hill, chairman and chief executive officer. "The Novellus Development Company gives us an ideal vehicle to explore new opportunities without losing focus on our efforts within our existing businesses. Wilbert's strong technology background, business acumen and understanding of Novellus' business objectives make him the ideal individual to run this organization."

As CTO and executive vice president of integration and advanced development, Van den Hoek has most recently been responsible for Novellus' research and development and customer unit process integration activities. Since joining Novellus in 1990, he has held numerous technical management positions, including senior director of dielectric technology and director of technology for Nippon Novellus. Prior to his current position, he was vice president of the company's Dielectrics Business Unit. Before joining Novellus, Van den Hoek held various management positions in the Philips Electronics Research Organization in both the Netherlands and the United States. He holds a doctorandus degree from Rijks Univeristeit, located in Utrecht, the Netherlands.

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

The statements regarding the Novellus Development Company's intended focus on strengthening Novellus' technology portfolio, its leadership, its approaches to driving revenue growth by expanding the SAM for Novellus' current product portfolio and investing in technologies and applications beyond Novellus' core semiconductor manufacturing competencies, and Novellus' ability and position to expand its current product range beyond such competencies, are forward-looking statements. The forward-looking statements involve risks and uncertainties, including, but not limited to, the failure of the Novellus Development Company to maintain its focus or drive revenue growth, the ability of Novellus Development Company to identify, evaluate and make investments that will strengthen Novellus' current technology portfolio, whether by broadening the SAM for such current technologies and products or realizing returns from investments in technologies and applications beyond Novellus' core semiconductor manufacturing competencies or otherwise, the operation of the Novellus Development Company under the direction of officers with differing competencies and goals, the viability of Novellus' position to expand within and beyond the semiconductor manufacturing industry, the failure of Novellus or the Novellus Development Company to capitalize on such position, 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, 2003 and our Quarterly Reports on Form 10-Q for the quarters ended March 27, 2004, June 26, 2004 and September 25, 2004, and our Current Reports on Form 8-K filed July 12, 2004, September 10, 2004, September 24, 2004, December 2, 2004, December 15, 2004, January 27, 2005 and January 28, 2005.

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, Italy, 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.

DEVELOPMENT-COMPANY