Novellus Establishes Refurbished Systems Business

Shanghai, China, March 15, 2005--To satisfy the growing demand for 200-mm equipment in specific market regions, 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 launched its Refurbished Systems Business. With a charter to supply tools for the aluminum interconnect segment of 200-mm fabs, the Refurbished Systems Business will leverage the company's global service and logistics channel and provide Novellus-refurbished process equipment for customers requiring an uncompromised, lower-cost manufacturing alternative to new systems.

While state-of-the-art technologies dominate the floor space of 300-mm fabs, 200-mm facilities manufacturing lower-cost products (typically >0.18um technology node) continue to expand in several regions of Asia, especially China. According to Gartner Dataquest, since 1997 the number of 200-mm fabs has increased by 48 percent, mostly in Asia. During the same period, 30 new 300-mm factories have also started production worldwide.* This dual trend has produced a parallel demand for equipment that can provide competitive cost advantages at multiple technology nodes. Driven by customer demand and feedback, Novellus' product line-up will now include refurbished equipment for customers in need of lower-cost 200-mm tools, to complement its existing suite of new cutting-edge products focused at both 200-mm and 300-mm factories.

Novellus' Refurbished Systems Business will initially feature refurbished products from its plasma enhanced chemical vapor deposition (PECVD), CVD Tungsten and high-density plasma chemical vapor deposition (HDP CVD) business units. Refurbished tools from the chemical mechanical planarization (CMP) and photoresist strip divisions will be added at a later date. Novellus will also offer a full spectrum of system enhancements and comprehensive support options specifically tailored to customer needs. Novellus' customers will enjoy the confidence and predictability that comes with the knowledge that refurbished systems have been tested to the same level of quality standards used for new systems, and will be installed, serviced and supported by a globally dispersed network of system experts and professionals.

Commenting on the launch of the Refurbished Systems Business, Tom St. Dennis, Novellus' executive vice president of sales, worldwide service and marketing, noted, "In an increasingly complex and competitive IC industry, customers now require solutions at a variety of technical capabilities and price points. The Refurbished Systems Business at Novellus augments our ability to meet these new challenges. Dependable, cost-effective systems backed by the comprehensive support of a global customer satisfaction infrastructure will give our customers the confidence to use the tools in the most demanding manufacturing environments."

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

The statements regarding (i) Novellus' strategy to leverage its existing service and logistics channel to launch the Refurbished Systems Business; (ii) the growing demand for 200-mm equipment; (iii) the dual trend driving demand for lower-cost 200-mm equipment in specific market regions and 300-mm state-of-the-art technologies elsewhere; (iv) the ability of Novellus' refurbished process equipment to meet customer demands; (v) Novellus' ability to offer a full spectrum of system enhancements and comprehensive support options for their featured refurbished products, and to install, service and support such featured refurbished products; (vi) the ability of the Refurbished Business Systems to meet IC industry challenges; and (vii) Novellus' intent to provide dependable, cost-effective systems in demanding manufacturing environments backed by global customer satisfaction infrastructure, are forward-looking statements. The forward-looking statements involve risks and uncertainties, including, but not limited to, failure to effectively leverage Novellus' service and logistics resources to support and operate the Refurbished Systems Business; a decrease in demand for refurbished products; economic difficulties in international markets for 200-mm equipment; inability to meet customer demand for refurbished products; unanticipated costs and difficulties in implementing system enhancements and support options for refurbished products; lack of acceptance of Novellus' refurbished products in the marketplace; difficulties with expansion of the refurbished products line-up; failure to maintain adequate quality controls with respect to refurbished products; as well as other risks and uncertainties discussed in Novellus' 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 fiscal year ended December 31, 2003; our Quarterly Report 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.

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&#174. Additional information about Novellus is available on our home page at www.novellus.com

*Gartner Dataquest "Fab Database: Worldwide 1Q 05 Update" by David Christensen, Bob Johnson, Masao Kuniba and Kay-Yang Tan. December 15, 2004.

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