NOVELLUS SPEED NEXT™ WITH SPM DRIVES NEW LEVELS OF HIGH-ASPECT-RATIO GAP FILL PERFORMANCE AND COST-EFFICIENCY

SAN JOSE, Calif., July 11, 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 unveiled an innovative high-density plasma (HDP) gap fill process for its SPEED® NExT™ 300-mm chemical vapor deposition (CVD) system. Novellus' new Sequential Profile Modulation (SPM) process technology provides a robust gap fill solution for high-aspect-ratio features in 65-nm devices, delivering superior productivity and cost advantages at volume-production levels. In addition, SPEED NExT with SPM process technology is fully scalable to accommodate technology shrinks and device design changes without the need for extensive process re-optimization, further enhancing overall return on investment.

Ever-shrinking device geometries and increasingly stringent gap fill and film-quality requirements have rendered traditional HDP CVD technology unable to meet customer demand for efficient performance at lower cost, particularly at the emerging 65-nm high-volume manufacturing node. The new SPM process technology for SPEED NExT remedies this situation by employing short, in-situ plasma treatment steps to enable front-end-of-line and back-end-of-line high-aspect-ratio gap fill applications--shallow-trench isolation (STI), inter-layer, inter-metal and pre-metal dielectrics and passivation. By incorporating this process into its proven SPEED NExT platform, Novellus enables customers to realize significantly reduced capital investment and cost of ownership of up to 30 percent, as well as fab floor space savings of as much as 40 percent, since the higher throughput allows customers to buy fewer tools for a given capacity need.

"We developed our SPM process technology to reduce complexity and provide extendibility," said Dr. Mike Barnes, vice president and general manager of the GapFill business unit at Novellus. "Our customers need a high-uptime platform and a cost-effective HDP CVD gapfill solution for their 65-nm high-volume manufacturing requirements that is easily extendible to future process generations. By simply implementing the SPM process technology to SPEED NExT, our customers can quickly ramp up the advanced gapfill capability with no loss of productivity, while yielding significant cost savings."

Novellus introduced SPEED NExT, the next-generation product in its SPEED family of HDP CVD products last July 2004. Since then, the company has shipped numerous modules and upgrades of SPEED NExT to key customers worldwide, including more than 60 shipped in the last three quarters. Recent shipments of SPEED NexT have incorporated the SPM process technology capability. Customer response has been extremely positive, confirming the capabilities and benefits of the SPM process technology, which is being implemented worldwide into customer manufacturing lines. SPM process technology can be implemented in previously installed SPEED HDP CVD systems.

To learn more about SPEED NExT with SPM process technology, visit Novellus at SEMICON West 2005 (July 12-14) at the Yerba Buena Center for the Performing Arts in San Francisco.

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

Statements included or incorporated by reference in this press release that are not purely historical are forward-looking statements within the meaning of federal securities laws, including statements regarding the ability and benefits of the SPM technology for its SPEED NExT system to provide gap fill solutions in 65-nm device and deliver productivity and cost advantages to customers. Forward-looking statements involve risks and uncertainties, including, but not limited to technical and operational difficulties, which preclude the SPM technology and SPEED NExT system from performing as expected, as well as other risks indicated in our filings with the Securities and Exchange Commission (SEC). Actual results could differ materially. We do not assume, and expressly disclaim, any 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, 2004, our Quarterly Report on Form 10-Q for the quarter ended April 2, 2005, and our Current Reports on Form 8-K filed or furnished April 7, 2005, April 18, 2005, April 29, 2005, and May 5, 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, 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.

SPEED is a registered trademark and NExT is a trademark of Novellus Systems, Inc.

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