NOVELLUS WINS BEST PRODUCT AWARD FROM TSMC

San Jose, Calif., January 12, 2006 Novellus Systems, Inc. (Nasdaq NM: NVLS), the productivity and technology leader in advanced process equipment for the global semiconductor industry, announced that Taiwan Semiconductor Manufacturing Company (TSMC) recognized the outstanding performance of Novellus' SABRE® NExT copper Electrofill® system with a 2005 Best Product Award.

"SABRE NExT is one of the key contributors to our 300mm production ramp-up because of its leading technology, as well as its low operating cost and high productivity," said Dr. Wei-Jen Lo, vice president of operations, TSMC. "We greatly appreciate Novellus' dedication in working with TSMC to meet our technology and productivity requirements."

"We are honored that TSMC selected SABRE NExT as a recipient of its 2005 Best Product Award," said Tim Archer, senior vice president of Novellus' Electrofill Products business unit in Tualatin, Ore. "TSMC is one of the companies that is leading the charge to 90 nm and below. With SABRE NExT, we look forward to continuing to provide extendable options to our customers to address constantly evolving market dynamics."

Novellus has been shipping SABRE tools to TSMC since 1998, beginning with 130nm technology on 200mm wafers. Novellus has more than 200 SABRE systems installed worldwide.

About SABRE NExT:

SABRE NExT is an advanced electrochemical deposition system that successfully creates void-free copper interconnects in extremely narrow, high-aspect-ratio features. It is also the first copper plating system designed specifically for the high-volume production of semiconductor devices. Since 1997, continuous improvement of SABRE has extended copper dual damascene solutions from 250 nm all the way to 65 nm. Using a combination of proprietary technology and advanced chemistries, SABRE is now poised to address the 45 nm node.

About Novellus:

Novellus Systems, Inc., an S&P 500 company, manufactures, markets and services advanced deposition, ultraviolet thermal processing (UVTP), 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). Additional information about Novellus is available on our home page at www.novellus.com.

SABRE and Electrofill are registered trademarks and NExT is a trademark of Novellus Systems, Inc.

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

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including the statements regarding the lower costs, higher productivity and continued extendibility of SABRE NExT; as well as other matters discussed in this news release that are not purely historical data. Forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those contemplated by the forward-looking statements. Such risks and uncertainties include, but are not limited to, engineering and design flaws or operational difficulties that limit productivity or extendibility; failure to accurately anticipate and timely respond to customers' evolving needs and SABRE's inability to execute at 45 nm; as well as other risks indicated in our filings with the Securities and Exchange Commission (SEC). For more details, please refer to our SEC filings and the amendments thereto, including our Annual Report on Form 10-K and 10-K/A for the year ended December 31, 2004, our Quarterly Reports on Form 10-Q and 10-Q/A for the quarters ended July 2, 2005, April 2, 2005 and October 1, 2005 and our Current Reports on Form 8-K. Forward-looking statements are made and based on information available to us on the date of this press release, and we assume no obligation to update them.
