ATDF and Novellus to Provide CVD Ultra Low-k Wafers to Chip Industry Suppliers

Austin, TX, and San Jose, CA (10 July 2006) – In cooperation with Novellus Systems, Inc. (Nasdaq: NVLS), global R&D fab ATDF will produce next-generation, porous low-k wafers for equipment and materials suppliers throughout the semiconductor industry.

The advanced test wafers feature Novellus' CORAL® ULK film with a 2.5 dielectric constant (k), applied with Novellus' VECTOR® plasma-enhanced chemical vapor deposition (PECVD) tool, and treated with Novellus' SOLA® ultraviolet thermal processor (UVTP). Suppliers can use the wafers to evaluate the effectiveness of their consumables, components, and equipment with leading-edge low-k materials, which are vital in the production of future microchips.

The test wafers will be produced in ATDF, the leading supplier of test wafers for the semiconductor industry. Offering hundreds of process flows and full analytical services, ATDF ships over 100,000 test wafers annually to a broad customer base, to facilitate the industry's development of next-generation tools and materials.

"More and more of our customers are asking for test wafers with porous low-k films," said Frank Tolic, manager of ATDF's Wafers Services Group. "These wafers will help them develop manufacturable processes and integration solutions for next-generation copper back-end-of-line technology, with a particular focus on achieving higher packing density while consuming less power."

"ATDF test wafers will provide an open, common platform for suppliers to develop the infrastructure critical to the production implementation of porous low-k technology," said Tim Archer, senior vice president and general manager of Novellus' Dielectric Business Group. "We are delighted that Novellus technologies and ATDF expertise will be the foundation for this activity."

Low-k films have lower densities and dielectric constants than silicon oxide, the conventional dielectric material used to isolate metal wiring on microchips. The International Technology Roadmap for Semiconductors (ITRS) calls for low-k dielectric materials of 2.5 or lower to be available for semiconductor manufacturing by 2007. "The Novellus CORAL ULK tool set allows ATDF to establish stable film performance and production capability at low cost-of-ownership," Tolic noted. He said anticipated customers will include suppliers of slurries, pads, and other polishing products, along with manufacturers of etch, photoresist strip, metals deposition, and CMP tools.

ATDF began partnering with Novellus on low-k materials development with its purchase in 2005 of the VECTOR and SOLA systems. Novellus provided bulk film development and support, while ATDF contributed its technical expertise in the integration of porous low-k films. The two companies subsequently agreed to market the successful porous low-k products to the industry.

About ATDF: ATDF, a wholly owned subsidiary of SEMATECH, is a leading technology R&D center where research meets manufacturing for semiconductor manufacturers, equipment and materials suppliers, and others. ATDF customers can confidentially test new designs, integration methodologies, and prototype systems while protecting their own intellectual property, and development partners can work closely with one another in a custom manufacturing environment. ATDF also develops baseline processes, accepted industry-wide, that bring new tools and materials to manufacturing faster, at lower cost. More information can be found at www.atdf.com.

About Novellus: Novellus Systems, Inc. (NASDAQ: NVLS) is a leading provider of advanced process equipment for the global semiconductor industry. The company's products deliver value to customers by providing innovative technology backed by trusted productivity. An S&P 500 company, Novellus is headquartered in San Jose, Calif. with subsidiary offices across the globe. For more information please visit www.novellus.com.

"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 statements regarding (i) the production of next-generation, porous low-k wafers for equipment and materials suppliers throughout the semiconductor industry, (ii) increasing customer requests for test wafers with porous low-k films, (iii) the ability of wafers to help develop manufacturable processes and integration solutions for next-generation technology, (iv) an open, common platform for suppliers to develop critical infrastructure, (v) Novellus technologies and ATDF expertise as the foundation for the production implementation of porous low-k technology, (vi) stable film performance and production capability at low cost-of-ownership and (vii) anticipated customers to include suppliers of slurries, pads, and other polishing products, along with manufacturers of etch, photoresist strip, metals deposition and CMP tools. 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; adverse economic conditions that affect semiconductor industry

demand and orders; technical or operational difficulties precluding the optimal performance of the test wafers; introduction of competing platforms for suppliers; failure to meet customer expectations with respect to performance and costs; 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 for the year ended December 31, 2005, our Quarterly Report on Form 10-Q for the quarter ended April 1, 2006 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.

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