Novellus Introduces Sabre Extreme?

San Jose, Calif. - July 10, 2006 - Novellus Systems, Inc. (Nasdaq: NVLS), today introduced SABRE Extreme™, the latest generation of the company's market-leading SABRE Electrofill system. With proven flexibility to evolve for multiple-generation applications, the new platform offers enhanced chemistry, process refinements and new hardware features to tackle the complex transition to the 32nm technology node. The new system is currently being used in development for 45nm by a leading U.S. logic customer as well as a leading U.S. DRAM manufacturer.

SABRE Extreme marks another milestone for Novellus' SABRE Electrofill tool, the semiconductor industry's first production-worthy copper electroplating system. With a market share of 80% in 2005, SABRE is the process tool of record for nine of the top 10 copper IC producers. The installed base of more than 250 systems worldwide processes more than 55 million wafer passes annually, and with Novellus' backward compatibility strategy, manufacturers can continue to leverage their installed fleet as they transition to 45nm and 32nm. SABRE Extreme enables an industry leading throughput of 80 wafers per hour while continuing to deliver 90% availability in high volume production.

"When the first SABRE system was introduced in 1998, it drove the industry's transition from aluminum to copper interconnects, and it has since become the industry standard tool for copper electrochemical deposition," said David Smith, vice president and general manager of Novellus' Electrofill Business Unit. "In addition to widespread adoption for advanced logic technology, we are now seeing memory chip manufacturers increasingly adopting SABRE to achieve the performance benefits of copper. With its advanced technology, SABRE Extreme easily meets the aggressive technology requirements while offering productivity benefits via higher throughput and lower cost of ownership."

SABRE Extreme incorporates a number of enhancements for high volume manufacturing at 45nm and 32nm, targeted at providing value to customers through leading technology and enhanced productivity. These include:

Innovative Technology:

- Leading-edge electrofill chemistry, Viaform Extreme, which is key in providing an advanced filling capability on narrow, high aspect ratio features required in the 45nm and 32nm nodes. Viaform Extreme has been developed through an exclusive arrangement with ATMI/Enthone to create copper films of high reliability, and is only available to SABRE customers. Novellus has been receiving positive feedback from customers for leading in this area of development with the help of suppliers.

- An Extreme-generation plating cell incorporating the latest membrane technology to improve on-wafer performance and reduce the cost of consumables by 50%. This latest plating cell incorporates features that have been developed and proven on earlier-generation designs, and enables new recipe-driven edge profile control for optimum chemical mechanical planarization (CMP) compatibility.

Trusted Productivity:

- A sealed contact design with 1mm physical edge exclusion that increases the usable area on a wafer by more than 1%, resulting in additional yielding die per wafer.

- A fast edge bevel removal (EBR) process with recipe-driven edge exclusion. The faster process eliminates

the EBR step from the critical path for an increase in throughput. Novellus' foundry customers in particular will benefit from the flexibility provided by the recipe-driven edge exclusion.

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) manufacturers ability to leverage their installed fleet as they transition to 45nm and 32nm, (ii) increasing numbers of memory chip manufacturers adopting SABRE, (iii) SABRE Extreme's ability to easily meet the aggressive technology requirements while offering productivity benefits via higher throughput and lower cost-of-ownership, (iv) providing value to customers through leading technology and enhanced productivity, (v) receipt of positive feedback from customers (vi) new recipe-driven edge profile control for optimum CMP compatibility and (vii) benefits to foundry customers from the flexibility provided by the recipe-driven edge exclusion. 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, unanticipated difficulties associated with manufacturer transition from 45nm to 32nm, the introduction of new platforms competitive with or superior to SABRE Extreme, uncertainties associated with SABRE Extreme's sustainability in the semiconductor industry, failure of SABRE Extreme to effectively and timely respond to industry developments and customer demands, an unanticipated downturn in the demand for copper electroplating systems, and failure to achieve optimal CMP compatibility, 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.

SABRE Extreme is a trademark of Novellus Systems, Inc.

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