Novellus Signs Non-Exclusive Licensing Agreement With Surplus Process Equipment Corporation

SAN JOSE, Calif., Oct. 19, 2006 - Novellus Systems, Inc. (Nasdaq: NVLS) today announced it has entered into a non-exclusive licensing agreement with Surplus Process Equipment Corporation ("SPEC"), wherein SPEC will refurbish certain used Novellus systems and build new systems to current Novellus specifications. Terms of the agreement were not disclosed.

Recognizing the need for legacy product support in its installed base, and wanting to provide an avenue for customers to acquire additional systems and capacity for previously discontinued products, Novellus licensed to SPEC the following products:

- Aura 1000 photoresist stripper systems
- AE 2001 etcher systems
- Aura 2000LL photoresist stripper systems
- Aura AE2000LL etcher systems
- L3510 photoresist stripper systems
- GaSonics VHP high-pressure oxidation system.

All other 200 mm and 300 mm Surface Integrity Group (SIG) products related to the Novellus acquisition of GaSonics International Corp. in 2001, including the Novellus GAMMA&#8482 product line and PEP IRIDIA® product, will continue to be manufactured, sold and supported directly through Novellus.

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 need for legacy product support in our installed base (ii) our desire to provide an avenue for customers to acquire additional systems and capacity for previously discontinued products and (iii) statements regarding our intention to continue to manufacture, sell and support all other 200 mm and 300 mm SIG products related to our acquisition of GaSonics International Corp. 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, uncertainties associated with customers interests in acquiring previously discontinued products, competition from other products, our ability to monitor and control the quality and any future development of legacy systems, and uncertainties related to market demand for SIG products related to our acquisition of GaSonics International Corp., 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 Reports on Form 10-Q for the quarters ended April 1, 2006 and July 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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