Novellus Receives Excellent Supplier Award At The TSMC Supply Chain Management Forum

SAN JOSE, Calif., November 14, 2006 - Novellus Systems, Inc. (Nasdaq: NVLS), today announced that its VECTOR® system received "The 2006 Supplier Excellence Award in CVD" from Taiwan Semiconductor Manufacturing Company (TSMC) at the TSMC 2006 Supply Chain Management Forum. Of the more than 350 TSMC suppliers that took part in the event, Novellus was one of eleven recognized with "a 2006 Supplier Excellence Award." Novellus' VECTOR 300 mm plasma enhanced chemical vapor deposition (PECVD) tool, used by semiconductor manufacturers to deposit dielectric films for high performance ICs, was chosen for its innovation in thin film technology and its superior productivity.

"As we strengthen our leading position in the semiconductor industry, suppliers continue to develop more cost-effective and efficient equipment, components, and materials, making both sides of the partnership more competitive as we stride towards future success together," said Dr. Tsai, TSMC president and CEO.

"Novellus is dedicated to providing continuous improvements that offer the flexibility that foundries need," said Tim Archer, senior vice president, Dielectric Business Group, Novellus Systems. "Because of its innovation in thin film technology and productivity, TSMC can leverage VECTOR to run multiple process generations within the same fab. We are honored to receive this award and we are dedicated to working closely with TSMC at 65nm and beyond in support of the company's continued success."

Introduced in 2000, the VECTOR system is capable of depositing all dielectric films required for dual damascene structures. It has the largest installed base of 300 mm systems worldwide and is in production with nine of the top 10 capex spenders. VECTOR tools originally targeted for 130nm and 90nm production can be extended to 65nm with up to a 30% improvement in throughput.

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.

About TSMC:

TSMC is the world's largest dedicated semiconductor foundry, providing the industry's leading process technology and the foundry industry's largest portfolio of process-proven library, IP, design tools and reference flows. The company operates two advanced twelve-inch wafer fabs, five eight-inch fabs and one six-inch wafer fab. TSMC also has substantial capacity commitments at its wholly owned subsidiaries, WaferTech and TSMC (Shanghai), and its joint venture fab, SSMC. TSMC is the first foundry to provide 65nm production capabilities. Its corporate headquarters are in Hsinchu, Taiwan. For more information about TSMC please see http://www.tsmc.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) our dedication to providing continuous improvements to VECTOR systems that meet the foundries need, (ii) our desire to continue to work closely with TSMC at 65nm and beyond in support of the company's continued success, (iii) TSMC's statement regarding continued development of more cost-effective and efficient equipment, components and materials creating more competitive partnerships and contributing to future success in the industry, and (iv) our statements regarding the production of VECTOR with nine of the top 10 capex spenders. 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 related to our ability to make continuous improvements to VECTOR, our ability to maintain a good relationship with TSMC and support its technological needs, our ability to produce cost-effective and efficient equipment, components and materials, our ability to be competitive in the market place and achieve future success, and unanticipated difficulties associated with the production of the nine VECTOR systems being produced for the capex spenders, 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 September 30, 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.

VECTOR is a trademark of Novellus Systems, Inc.

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