Novellus Systems Launches Vector Express™ The Productivity And Technology Leader In Pecvd Thin Film Processing

Shanghai, China - March 21, 2007 - Novellus Systems, Inc. (Nasdaq: NVLS), today introduced VECTOR Express™, the latest enhancement to Novellus' 300 mm VECTOR plasma-enhanced chemical vapor deposition (PECVD) platform. VECTOR Express maintains industry-leading capital and footprint productivity by improving process throughput up to 40%. VECTOR Express also delivers new benchmark thin film process performance that is critical to tool extendibility at the 45nm node and beyond.

Key to VECTOR Express' enhanced productivity and fundamental thin film process improvement is the SmartSoak™ processing feature. SmartSoak uniquely takes advantage of the VECTOR platform's multi-station sequential processing (MSSP) architecture to control wafer heat-up independently from film deposition. This enables a more stable and consistent wafer temperature at the start of film deposition while simultaneously reducing thin film processing time.

As shown in customer evaluations, VECTOR Express with SmartSoak sets a benchmark for defectivity performance at 0.08µm particle size for a 500Å TEOS oxide process. Thin film thickness control is better than one atomic layer on a 40Å silane spacer oxide process, demonstrating superior within-wafer and wafer-to-wafer thickness repeatability.

In addition to SmartSoak, VECTOR Express reduces wafer mechanical handling time by >20% while improving wafer placement accuracy with the introduction of precision high speed mechanical components and automated wafer monitoring. VECTOR Express also incorporates new advanced materials delivery technology to further ensure tool extendibility for thin film applications.

"With VECTOR Express, we have developed the best-in-class thin film deposition capability desired by leading-edge memory and logic manufacturers," said Tim Archer, senior vice president and general manager of Novellus' Dielectric Business Group. "In addition, we are providing existing customers an easy upgrade path to improved productivity from their VECTOR installed base."

Since the start of beta testing in the third quarter of 2006, Novellus has received orders for more than 20 VECTOR Express systems, including multiple new customer penetrations. VECTOR Express will be in production release in the second quarter of 2007.

About VECTOR

Introduced in 2000, VECTOR revolutionized the 300 mm PECVD market. The industry-leading system is capable of depositing all dielectric films required for advanced dual damascene structures, and is the production tool of choice with the largest installed base of 300 mm systems. The tool's simple design ensures high system reliability and uptime. With two-thirds the footprint of the nearest competing tool, it offers significant lab floor space savings.

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 the statement that the Company expects that VECTOR Express will be in production release in the second quarter of 2007. 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, unforeseen disruptions in our manufacturing and production, and the lack of adequate components and materials necessary for the production of VECTOR Express, 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, 2006, 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 Express and SmartSoak are trademarks of Novellus Systems, Inc.

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