# NOVELLUS SHIPS 100 VECTOR EXPRESS TOOLS WITHIN FIRST YEAR

## Enhanced PECVD Platform Enjoys Rapid Adoption With Major IC Manufacturers and Foundries Worldwide

San Jose, Calif. – March 17, 2008 – Novellus Systems today announced it has shipped more than 100 VECTOR Express&#8482 tools to leading logic and memory producers worldwide since the product's introduction one year ago. Today, VECTOR Express is in production at eight of the top 10 capital spenders in the semiconductor industry.

Since its launch in March 2007, VECTOR Express has established a new industry benchmark for thin film productivity and on-wafer performance with its unique SmartSoak&#8482 capability. Enabled by Novellus' multi-station sequential processing (MSSP) architecture, SmartSoak improves film uniformity and defectivity by providing a more consistent wafer temperature during deposition of advanced thin films such as anti-reflective layers, diffusion barriers and spacer oxides. At the same time, SmartSoak significantly increases the throughput of the tool by reducing the overhead time common with traditional wafer heating sequences. As a result, VECTOR Express enables leading-edge device manufacturers to extend PECVD technology to 45nm and beyond with lower costs than previous generations.

VECTOR Express is also the foundation for Novellus' success in the fast-growing ashable hard mask (AHM) market. Using a specialized process chamber kit developed for VECTOR Express, Novellus AHM films provide superior etch selectivity, excellent CD control, low defectivity and improved device yield at advanced technology nodes. Introduced in June 2007, Novellus' AHM technology is now in production at multiple high-volume memory manufacturers.

"To remain competitive, our customers have a fundamental need to improve manufacturing quality and reduce cost at every device generation," said Tim Archer, senior vice president and general manager, PECVD business unit at Novellus. "Working with leading semiconductor manufacturers, we developed VECTOR Express to specifically address this challenge, and we have been pleased with the rapid acceptance of the tool in its first year in the marketplace."

**About VECTOR Express:**
The VECTOR Express PECVD platform is used to deposit a variety of films for memory and logic devices. VECTOR Express delivers industry-leading productivity and fundamental thin film process improvement with its SmartSoak&#8482 processing feature. SmartSoak 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.

**About VECTOR Express with AHM:**
The ashable hard mask (AHM) process technology on the VECTOR Express PECVD platform is designed to address the challenges in advanced technology nodes that utilize 193nm lithography for high-aspect patterning etch, where thinning photo-resist material makes it difficult to extend conventional patterning. The AHM film uniquely satisfies the demanding etch selectivity requirements of advanced device nodes while maintaining transparency to the light source used for wafer alignment during photo-resist exposure.

**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

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"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 relating to (i) our belief that VECTOR Express enables leading-edge device manufacturers to extend PECVD technology to 45 nm and beyond with lower costs than previous generations; (ii) our belief that VECTOR Express is the foundation for our success in the fast growing AHM market; and (iii) our belief that to remain competitive our customers have a fundamental need to improve manufacturing quality and reduce cost at every device generation. 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,

difficulties associated with managing the costs of production of our products and our customers' products; fluctuations in the success and growth rate of the AHM market; changes in our customers' business models; 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, 2007, 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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