NOVELLUS SYSTEMS REPORTS FIRST QUARTER RESULTS

SAN JOSE, Calif., April 22, 2009-Novellus Systems, Inc. (NASDAQ: NVLS) today reported operating results for its first quarter ended March 28, 2009. Net sales for the first quarter of 2009 were $98.9 million, down $89.5 million or 47.5 percent from fourth quarter 2008 net sales of $188.5 million, and down $215.8 million or 68.6 percent from first quarter 2008 net sales of $314.7 million. The net loss for the first quarter of 2009 was $66.4 million, or $0.69 per diluted share, $63.9 million less than fourth quarter 2008 net loss of $130.3 million, or $1.36 per diluted share, and down $81.9 million from first quarter 2008 net income of $15.5 million, or $0.15 per diluted share.

First quarter 2009 results of operations include a $19.4 million charge as a result of a recent California tax law change. We incurred other charges of $2.0 million primarily in connection with our actions, announced in the fourth quarter of 2008, to align our business with the current economic environment. First quarter 2009 net loss without those items was $45.5 million, or $0.47 per diluted share. Excluding certain charges and benefits, fourth quarter 2008 net loss was $20.0 million, or $0.21 per diluted share, and first quarter 2008 net income was $16.0 million, or $0.16 per diluted share. A reconciliation of pro forma operating results to U.S. generally accepted accounting principles ("GAAP") is included below.

Bookings in the first quarter of 2009 were $77.8 million, down $4.9 million or 5.9 percent from fourth quarter 2008 bookings of $82.7 million. Bookings were net of $10.6 million in backlog adjustments in the first quarter of 2009 compared to adjustments of $44.9 million in the fourth quarter of 2008. First quarter 2009 shipments of $92.1 million were down by $83.5 million or 47.6 percent from $175.6 million reported for the fourth quarter of 2008. Deferred revenue at the end of the first quarter of 2009 was $40.2 million, a decrease of $16.1 million or 28.6 percent from $56.3 million at the end of the fourth quarter of 2008.

Cash, cash equivalents, and short-term investments as of March 28, 2009 were $497.7 million, an increase of $26.8 million or 5.7 percent from the fourth quarter 2008 ending balance of $470.9 million. Long-term investments and restricted cash and cash equivalents as of March 28, 2009 were $204.4 million, a decrease of $7.2 million or 3.4 percent from the fourth quarter 2008 ending balance of $211.6 million.

Richard S. Hill, Chairman and Chief Executive Officer said, "The economic environment continues to be challenging and we remain disciplined and focused on cash flow and cost containment. We are cautiously optimistic that our customers' order activity levels have stabilized and are beginning to rebound, although still at relatively low levels compared to our expectations."

Management uses non-GAAP measures to evaluate operating performance. The presentation of net income (loss) excluding certain charges and benefits and the discussion of revenue on a shipments basis are not in accordance with GAAP and may differ from non-GAAP methods of accounting and reporting used by other companies. We present net income (loss) on a pro forma basis, excluding certain charges and benefits, because we believe this helps both management and investors to assess the operating performance of our business by comparing it to prior periods on a more consistent basis. A reconciliation between our GAAP and non-GAAP results is provided below. Non-GAAP numbers are merely a supplement to, and not a replacement for, GAAP financial measures.

"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 statements regarding (i) our goal to remain disciplined and focused on cash flow and cost containment; (ii) our belief that our customers' order activity levels have stabilized and are beginning to rebound, although still at relatively low levels; and (iii) other matters discussed in this news release that are not purely historical data. Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from those contemplated by such statements. These risks and uncertainties include, but are not limited to (i) our inability to sufficiently reduce our cost structure; (ii) our inability to prevent unexpected increases in costs associated with manufacturing our products; (iii) our inability to accurately predict our customers' capital spending, including any further reductions in capital spending, which could have a material adverse effect on the industry's demand for semiconductor processing equipment; and (iv) other risks indicated in our filings with the Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K for the year ended December 31, 2008, our Current Reports on Form 8-K, and amendments to such reports. Forward-looking statements are made and based on information available to us on the date of this press release. We do not assume, and expressly disclaim, any obligation to update this information.

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, CA with subsidiary offices across the globe. For more

information please visit www.novellus.com.

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