NOVELLUS SYSTEMS AND UALBANY NANOCOLLEGE LAUNCH $20 MILLION NANOELECTRONICS R&D PARTNERSHIP

Albany, NY--July 13, 2009 - The College of Nanoscale Science and Engineering (CNSE) at the University at Albany, and Novellus Systems, Inc. (NASDAQ: NVLS), a Silicon Valley-based provider of advanced process equipment for the global nanoelectronics industry, announced today that they have formed a $20 million partnership to conduct next-generation research and development in sub-22nm semiconductor manufacturing technology. As part of the agreement, Novellus will install three advanced thin film deposition tools-a VECTOR® plasma-enhanced chemical vapor deposition system (PECVD), a SABRE® copper electrochemical deposition system, and an ALTUS® tungsten chemical vapor deposition (CVD-W) system-at CNSE's world-class Albany NanoTech Complex.

A team of Novellus researchers will be located with CNSE staff at Albany NanoTech, where they'll conduct leading-edge research into advanced nanofabrication processes, including copper fill for interconnects, copper through-silicon via fill for three-dimensional packaging applications, tungsten deposition for transistor contacts, and thin dielectric film deposition. The development and commercialization of these technologies is critical to ensure continued progress in the manufacturing of advanced electronic devices, while also enabling improvements in nanoscale fabrication that can be applied to emerging applications in telecommunications, biotechnology, medicine, energy, and the environment, among others.

"Novellus Systems is pleased to engage in this next-generation research and development program in collaboration with the College of Nanoscale Science and Engineering," said Dr. Tom Caulfield, Novellus executive vice president of sales, marketing, and customer satisfaction. "Combining the technological expertise of Novellus, with the intellectual know-how and assets of CNSE, will accelerate the development of innovations needed to drive our industry forward."

"I am delighted to welcome Novellus Systems to the UAlbany NanoCollege, where it joins an ever-expanding list of global companies engaged in world-class nanoscale research, development and product commercialization," said Dr. Alain E. Kaloyeros, senior vice president and chief executive officer of CNSE. "Under the leadership of chairman and CEO Richard Hill, Novellus has established itself as an international leader in nanoelectronics manufacturing technology. This partnership once again demonstrates the success of the vision, strategy and investments of Governor Paterson and Assembly Speaker Silver in supporting New York's globally-recognized nanotechnology industry, which is attracting high-tech jobs, companies and investments while providing new and exciting career opportunities for New Yorkers in our 21st century innovation economy."

The agreement between Novellus and CNSE also includes the potential for further R&D initiatives in the future, which may involve the location of additional Novellus employees and tools at CNSE's Albany NanoTech.

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 CNSE:
The UAlbany CNSE is the first college in the world dedicated to education, research, development, and deployment in the emerging disciplines of nanoscience, nanoengineering, nanobioscience, and nanoeconomics. CNSE's Albany NanoTech Complex is the most advanced research enterprise of its kind at any university in the world. With over $5 billion in high-tech investments, the 800,000-square-foot complex attracts corporate partners from around the world and offers students a one-of-a-kind academic experience. The UAlbany NanoCollege houses the only fully-integrated, 300mm wafer, computer chip pilot prototyping and demonstration line within 80,000 square feet of Class 1 capable cleanrooms. More than 2,500 scientists, researchers, engineers, students, and faculty work on site at CNSE's Albany NanoTech, from companies including IBM, AMD, GlobalFoundries, SEMATECH, Toshiba, Applied Materials, Tokyo Electron, ASML, Vistec Lithography and Atotech. For more information, visit www.cnse.albany.edu.

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