



NEWS ANNOUNCEMENT

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UBIDYNE SELECTS JAZZ SEMICONDUCTOR'S 0.18-MICRON SiGe BICMOS PROCESS TO DEVELOP WORLD'S FIRST PURE DIGITAL RADIO SYSTEM

Ubidyne's Micro-Radio Enables Mobile Infrastructure Equipment Vendors Worldwide to Significantly Improve Performance, Flexibility and Coverage

NEWPORT BEACH, Calif., and ULM, Germany, October 15, 2008 -- Jazz Semiconductor, Inc., a Tower Group Company (NASDAQ: TSEM, TASE: TSEM), and a leader in Analog-Intensive Mixed-Signal (AIMS) foundry solutions, and Ubidyne, the leader in digital radio technology for the wireless industry, today announced that Ubidyne has selected Jazz Semiconductor's 0.18-micron SiGe BiCMOS (SBC18HXL) process for Ubidyne's uB Universal Micro-radio, the world's first pure digital antenna embedded radio system for wireless communications. Ubidyne's patent-pending technology significantly improves the operating economics of wireless networks, reducing energy consumption, enabling simple, flexible deployment, and increasing the coverage and capacity of mobile communications networks.

Ubidyne's uB Universal Digital Micro-radios offer the highest level of integration and radio performance by embedding directly into the antenna housing, eliminating the need for remote electrical tilt motors, large power amplifiers and bulky coaxial feeders. Ubidyne's patent pending technology enables an all-digital distributed architecture comprised of unique algorithms and proprietary ASICs allowing for efficient, standards agnostic wideband transmission and reception. Ubidyne's micro-radio enables mobile infrastructure equipment vendors worldwide to significantly improve performance, flexibility and coverage.

Jazz's 0.18-micron SiGe BiCMOS process (SBC18HXL) offers high-performance 0.18-micron SiGe bipolar and high quality passive elements combined with high density 0.18-micron CMOS for high-speed networking and millimeter wave applications. The process offers SiGe transistors with peak f_t of 155GHz and peak f_{max} of 200GHz ideal for low-power, high performance millimeter wave and OC-192 and OC-768 circuits. SBC18HXL comes standard with three bipolar (NPN) transistor types, 1.8 and 3.3 volt CMOS (dual-gate), deep trench isolation, lateral and vertical PNP transistors, MIM capacitors, high-performance varactors, poly-silicon as well as metal and Nwell resistors, high-Q inductors, a triple well option, and six layers of metal.

"We are revolutionizing the industry with the development of a superior alternative to traditional radio platforms that is both cost-effective and efficient," said Mike Levis, COO of Ubidyne. "By utilizing Jazz's SiGe BiCMOS process, we are able to significantly improve performance for our latest Micro-radio technology."

"The analog integration that Jazz provides enables customers like Ubidyne to offer higher performance, higher precision and more power-efficient products than were previously possible," said Chuck Fox, senior vice president of worldwide sales, Tower Semiconductor. "Jazz's SBC18H2 with 200GHz f_t/f_{max} is providing a roadmap in the wireless market for even better next-generation performance."

About Ubidyne

Ubidyne is leading the industry in the development of digital antenna embedded radio technology for wireless communications. Ubidyne's standards-agnostic micro-radio technology is integrated with wireless antennas and revolutionizes the economics of mobile communications. These integrated active antenna systems are compatible with current and next generation standards. They eliminate the need for coaxial feeder cables, remote electrical tilt and additional amplifiers on antenna towers and masts. The Ubidyne technology significantly reduces energy consumption while improving radio performance, deployment flexibility, coverage and capacity of mobile communications networks globally. Visit www.ubidyne.com for more information.

About Jazz Semiconductor, Inc.

Jazz Semiconductor, Inc., a Tower Group Company (NASDAQ: TSEM, TASE: TSEM), is a leading wafer foundry focused on Analog-Intensive Mixed-Signal (AIMS) process technologies. Jazz offers world-class design enablement tools to allow complex designs to be achieved quickly and more accurately. The company's broad process portfolio of modular AIMS technologies includes RFCMOS, Analog CMOS, Silicon and SiGe BiCMOS, SiGe C-BiCMOS, Power CMOS and High Voltage CMOS. Through access to Tower's process technologies, Jazz offers Digital CMOS, Embedded NVM, CMOS Image Sensors, and Flash MTP and OTP

solutions. Jazz Semiconductor's executive offices and its U.S. wafer fabrication facility are located in Newport Beach, CA. Additional capacity is available through access to Tower's two manufacturing facilities in Israel. Jazz also has manufacturing capacity in China through partnerships with ASMC and HHNEC. For more information, please visit www.jazzsemi.com and www.towersemi.com.

Safe Harbor Regarding Forward-Looking Statements

This press release includes forward-looking statements, which are subject to risks and uncertainties. Actual results may vary from those projected or implied by such forward-looking statements. A complete discussion of risks and uncertainties that may affect the accuracy of forward-looking statements included in this press release or which may otherwise affect Tower's and Jazz's business is included under the heading "Risk Factors" in Tower's most recent filings on Forms 20-F, F-3, F-4 and 6-K, as were filed with the Securities and Exchange Commission (the "SEC") and the Israel Securities Authority and Jazz's most recent filings on Forms 10-K and 10-Q, as were filed with the SEC. Tower and Jazz do not intend to update, and expressly disclaim any obligation to update, the information contained in this release.

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