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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-A

**FOR REGISTRATION OF CERTAIN CLASSES OF SECURITIES
PURSUANT TO SECTION 12(b) OR (g) OF THE
SECURITIES EXCHANGE ACT OF 1934**

TOWER SEMICONDUCTOR LTD.

(Exact name of registrant as specified in its charter)

Israel

N/A

(State of incorporation or organization)

(I.R.S. Employer Identification No.)

Ramat Gavriel Industrial Park, P.O. Box 619, Migdal Haemek, Israel

23105

(Address of principal executive offices)

(Zip Code)

Securities to be registered pursuant to Section 12(b) of the Act:

Title of each class
to be so registered

Name of each exchange on which
each class is to be registered

None

If this form relates to the registration of a class of securities pursuant to Section 12(b) of the Exchange Act and is effective pursuant to General Instruction A.(c), check the following box.

If this form relates to the registration of a class of securities pursuant to Section 12(g) of the Exchange Act and is effective pursuant to General Instruction A.(d), check the following box.

Securities Act registration statement file number to which this form relates: 333-128058 (if applicable)

Securities to be registered pursuant to Section 12(g) of the Act:

Warrants

(Title of class)

(Title of class)

INFORMATION REQUIRED IN REGISTRATION STATEMENT

Item 1. Description of Registrant's Securities to be Registered.

On September 19, 2008, a wholly-owned subsidiary of Tower Semiconductor Ltd. ("Tower") was merged with and into Jazz Technologies, Inc. ("Jazz") pursuant to the Agreement and Plan of Merger and Reorganization, dated as of May 19, 2008, among Tower, its subsidiary and Jazz. Pursuant to the merger agreement, each share of common stock of Jazz issued and outstanding was converted into the right to receive 1.8 Tower ordinary shares. As a result of the merger, each outstanding Jazz warrant was assumed by Tower and entitles the registered holder to purchase 1.8 Tower ordinary shares at an exercise price of \$2.78 per Tower ordinary share, subject to adjustment in certain events as described below. The securities to be registered hereby are the warrants of Jazz that were assumed by Tower.

The warrants will expire on March 15, 2011 at 5:00 p.m., New York City time. Tower may call the warrants for redemption:

- in whole and not in part;
- at a price of \$0.01 per warrant at any time after the warrants become exercisable;
- upon not less than 30 days prior written notice of redemption to each warrant holder; and
- if, and only if, the reported last sale price of the Tower ordinary shares equals or exceeds \$4.72 per share, for any 20 trading days within a 30 trading day period ending on the third business day before we send the notice of redemption to warrant holders.

Jazz established the last criterion to provide warrant holders with a premium to the initial warrant exercise price, as well as a degree of liquidity to cushion the market reaction, if any, to a redemption call. If the foregoing conditions are satisfied and we call the warrants for redemption, each warrant holder will then be entitled to exercise his or her warrant prior to the date scheduled for redemption. However, there can be no assurance that the price of the Tower ordinary shares will exceed \$4.72 or the warrant exercise price after the redemption call is made.

Upon a redemption, certain warrant holders will have the right to exercise certain warrants held by them on a cashless basis.

The right to exercise the warrants will be forfeited unless they are exercised before the date specified in the notice of redemption. From and after the redemption date, the record holder of a warrant will have no further rights except to receive, upon surrender of the warrants, the redemption price.

The warrants were issued in registered form under a warrant agreement dated as of March 15, 2006, among Jazz and Continental Stock Transfer & Trust Company, as warrant agent, as clarified by the warrant clarification agreement dated as of November 9, 2006, and are also subject to an assumption agreement dated as of September 19, 2008, among Jazz, Tower and the warrant agent. You should review a copy of these documents, which are exhibits to this registration statement, for a complete description of the terms and conditions applicable to the warrants.

The exercise price and number of Tower ordinary shares issuable on exercise of the warrants may be adjusted in certain circumstances, including in the event of a stock dividend, or recapitalization, reorganization, merger or consolidation involving Tower. However, the warrants will not be adjusted for issuances of Tower ordinary shares at a price below their respective exercise prices.

The warrants may be exercised upon surrender of the warrant certificate on or prior to the expiration date at the offices of the warrant agent, with the exercise form on the reverse side of the warrant certificate completed and executed as indicated, accompanied by full payment of the exercise price, by certified check payable to Tower, for the number of warrants being exercised. The warrant holders do not have the rights or privileges of holders of Tower ordinary shares and any voting rights until they exercise their warrants and receive Tower ordinary shares. After the issuance of Tower ordinary shares upon exercise of the warrants, each holder will be entitled to one vote for each Tower ordinary share held of record on all matters to be voted on by Tower shareholders.

No warrants will be exercisable unless at the time of exercise a prospectus relating to the Tower ordinary shares issuable upon exercise of the warrants is current and the Tower ordinary shares have been registered or qualified or deemed to be exempt under the securities laws of the state of residence of the holder of the warrants. Under the terms of the warrant agreement, Jazz has agreed to meet these conditions and use its best efforts to maintain a current prospectus relating to the shares issuable upon exercise of the warrants until the expiration of the warrants. However, Tower cannot make assurances that a current prospectus will be continuously maintained during this period. The warrants may be deprived of any value and the market for the warrants may be limited if the prospectus relating to the Tower ordinary shares issuable upon the exercise of the warrants is not current or if the Tower ordinary shares are not qualified or exempt from qualification in the jurisdictions in which the holders of the warrants reside.

No fractional shares will be issued upon exercise of the warrants. If, upon exercise of the warrants, a holder would be entitled to receive a fractional interest in a share, Tower will, upon exercise, round up to the nearest whole number the number of Tower ordinary shares to be issued to the warrant holder.

Item 2. Exhibits

No.	Description
3.1	Articles of Association of the Registrant, approved by shareholders on November 14, 2000, as amended (incorporated by reference to Exhibit 3.1 of the Registrant's Registration Statement on Form F-1, File No. 333-126909).
3.2	Amendment to Articles of Association of the Registrant (incorporated by reference to Exhibit 4.2 to the Registration Statement on Form S-8 No. 333-117565).
3.3	Amendment to the Articles of Association of the Registrant (approved by shareholders on September 28, 2006) (incorporated by reference to Exhibit 4.2 of the Registrant's Registration Statement on Form S-8, File No. 333-138837).
3.4	Amendment to the Articles of Association of the Registrant (approved by shareholders on September 24, 2008) (incorporated by reference to Exhibit 3.4 of the Registrant's Registration Statement on Form S-8, File No. 333-153710).
4.1	Specimen Jazz Warrant Certificate.*
4.2	Form of Warrant Agreement between Continental Stock Transfer & Trust Company and Jazz (Incorporated by reference to Exhibit 4.4 to Jazz's Registration Statement on Form S-1 (Registration No. 333-128058)).
4.3	Warrant Clarification Agreement dated as of November 9, 2006 between Jazz and Continental Stock Transfer & Trust Company (Incorporated by reference to Exhibit 4.6 to Jazz's Quarterly Report on Form 10-Q filed on November 14, 2006).
4.4	Assumption Agreement dated as of September 19, 2008, by and among Jazz, the Registrant and Continental Stock Transfer & Trust Company.*

*Filed with this Form 8-A.

SIGNATURE

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereto duly authorized.

Date October 2, 2008

By /s/ Oren Shirazi

Oren Shirazi
VP and Finance CFO

EXERCISABLE ONLY IF COUNTERSIGNED BY THE WARRANT
AGENT AS PROVIDED HEREIN.

Warrant Certificate evidencing

Warrants to Purchase Ordinary Shares, par value NIS 1.00 per share, as described herein.

TOWER SEMICONDUCTOR LTD.

No. W _____

CUSIP No. M87915 217

**VOID AFTER 5:00 P.M., NEW YORK CITY TIME,
ON MARCH 15, 2011, OR UPON EARLIER REDEMPTION**

This certifies that _____, or its registered assigns, is the registered holder of _____ warrants to purchase certain securities (each a "**Warrant**"). Each Warrant entitles the holder thereof, subject to the provisions contained herein and in the Warrant Agreement (as defined below), to purchase from Tower Semiconductor Ltd., an Israeli company (the "**Company**"), 1.8 Ordinary Shares of the Company (each a "**Share**"), at the Exercise Price set forth below. The exercise price of for each Share (the "**Exercise Price**") shall be \$2.78 as of September 19, 2008, subject to adjustments as set forth in the Warrant Agreement (as defined below).

Subject to the terms of the Warrant Agreement, each Warrant evidenced hereby may be exercised in whole, but not in part, at any time, as specified herein, on any Business Day (as defined below) occurring during the period (the "**Exercise Period**") commencing on March 15, 2007 and ending at 5:00 P.M., New York City time, on March 15, 2011 (the "**Expiration Date**"). Each Warrant remaining unexercised after 5:00 P.M., New York City time on the Expiration Date shall become void, and all rights of the holder of this Warrant Certificate evidencing such Warrant shall cease.

The holder of the Warrants represented by this Warrant Certificate may exercise any Warrant evidenced hereby by delivering, not later than 5:00 P.M., New York City time, on any Business Day during the Exercise Period to Continental Stock Transfer & Trust Company (the "**Warrant Agent**", which term includes any successor warrant agent under the Warrant Agreement described below) at its corporate trust department at 17 Battery Place, New York, NY 10004, (i) this Warrant Certificate and the Warrants to be exercised (the "**Book-Entry Warrants**") free on the records of The Depository Trust Company (the "**Depository**") to an account of the Warrant Agent at the Depository designated for such purpose in writing by the Warrant Agent to the Depository, (ii) an election to purchase ("**Election to Purchase**"), substantially in the form included on the reverse hereof, as applicable (A) by the holder hereof on the reverse of this Warrant Certificate or (B) properly executed by the institution in whose account the Warrant is recorded on the records of the Depository (the "**Participant**") and (iii) the Exercise Price for each Warrant to be exercised in lawful money of the United States of America by certified or official bank check or by bank wire transfer in immediately available funds; *provided, however*, that at any time after the Company has given a Redemption Notice (as defined herein), the holder hereof may, in lieu of payment of the Exercise Price, surrender its Warrant for that number of Shares equal to the quotient obtained by dividing (x) the product of (1) the number of Shares underlying the surrendered Warrant and (2) the difference between the Fair Market Value (defined below) and the Exercise Price, by (y) the Fair Market Value. The "**Fair Market Value**" shall mean the average reported last sale price of the Shares for the 10 trading days ending on the 3rd trading day prior to the date on which the Redemption Notice is sent to holders of the Warrants¹. If any of (a) this Warrant Certificate or the Book-Entry Warrants, (b) the Election to Purchase, or (c) the Exercise Price therefor, is received by the Warrant Agent after 5:00 P.M., New York City, the Warrants will be deemed to be received and exercised on the Business Day next succeeding the date such items are received and such date shall be the Exercise Date for purposes hereof. If the date such items are received is not a Business Day, the Warrants will be deemed to be received and exercised on the next succeeding day which is a Business Day and such date shall be the Exercise Date for purposes hereof. If the Warrants to be exercised are received or deemed to be received after the Expiration Date, the exercise thereof will be null and void and any funds delivered to the Warrant Agent will be returned to the holder as soon as practicable. In no event will interest accrue on funds deposited with the Warrant Agent in respect of an exercise or attempted exercise of Warrants. The validity of any exercise of Warrants will be determined by the Warrant Agent in its sole discretion and such determination will be final and binding upon the holder of the Warrants and the Company. Neither the Warrant Agent nor the Company shall have any obligation to inform a holder of Warrants of the invalidity of any exercise of Warrants.

As used herein, the term "**Business Day**" means any day that is not a Saturday or Sunday and is not a United States federal holiday or a day on which banking institutions generally are authorized or obligated by law or regulation to close in New York City.

Warrants may be exercised only in whole numbers of Shares. No fractional Shares are to be issued upon the exercise of any Warrant, but rather the number of Shares to be issued shall be rounded up to the nearest whole number. If fewer than all of the Warrants evidenced by this Warrant Certificate are exercised, a new Warrant Certificate for the number of Warrants remaining unexercised shall be executed by the Company and countersigned by the Warrant Agent, as provided in Section 2 of the Warrant Agreement, and delivered to the holder of this Warrant Certificate at the address specified on the books of the Warrant Agent or as otherwise specified by such Registered Holder.

¹ Bracketed text to be included in warrants included in the units issued to Acquicor Management LLC pursuant to the Private Placement Unit Purchase Agreement, dated as of March 8, 2006, between Jazz Technologies, Inc., ThinkEquity Partners LLC and the purchasers listed on Exhibit A thereto.

This Warrant Certificate is issued under and in accordance with the Warrant Agreement, dated as of March 15, 2006, between Jazz Technologies, Inc. (the "**Subsidiary**") and the Warrant Agent, as amended and supplemented by that Warrant Assumption Agreement dated as of September 19, 2008, among the Company, the Subsidiary and the Warrant Agent (as so amended and supplemented, the "**Warrant Agreement**"), and is subject to the terms and provisions contained in the Warrant Agreement, all of which terms and provisions the holder of this Warrant Certificate and the beneficial owners of the Warrants represented by this Warrant Certificate consent to by acceptance hereof. Copies of the Warrant Agreement are on file and can be inspected at the above-mentioned office of the Warrant Agent and at the office of the Company at Ramat Gavriel Industrial Area, P.O. Box 619, Migdal Haemek Israel 23105, Attention: Chief Financial Officer.

At any time during the Exercise Period, the Company may, at its option, redeem all (but not part) of the then outstanding Warrants upon giving notice in accordance with the terms of the Warrant Agreement (the “**Redemption Notice**”), at a price of \$0.01 per Warrant (the “**Redemption Price**”); *provided*, that the last sales price of the Shares is at least \$4.72 per Share, for any twenty (20) trading days within a thirty (30) trading day period ending on the third Business Day prior to the date on which the Redemption Notice is given. In the event the Company shall elect to redeem all of the then outstanding Warrants, the Company shall fix a date for such redemption (the “**Redemption Date**”); *provided*, that such date shall occur prior to the expiration of the Exercise Period. The Warrants may be exercised in accordance with the terms of this Agreement at any time after a Redemption Notice shall have been given by the Company; *provided*, however, that no Warrants may be exercised subsequent to the expiration of the Exercise Period; *provided, further*, that all rights with respect to the Warrants shall cease on the Redemption Date, other than to the right to receive the Redemption Price.

The accrual of dividends, if any, on the Shares issued upon the valid exercise of any Warrant will be governed by the terms generally applicable to such Shares. From and after the issuance of such Shares, the former holder of the Warrants exercised will be entitled to the benefits generally available to other holders of Shares and such former holder’s right to receive payments of dividends and any other amounts payable in respect of the Shares shall be governed by, and shall be subject to, the terms and provisions generally applicable to such Shares.

The Exercise Price and the number of Shares purchasable upon the exercise of each Warrant shall be subject to adjustment as provided pursuant to Section 4 of the Warrant Agreement.

Upon due presentment for registration of transfer or exchange of this Warrant Certificate at the stock transfer division of the Warrant Agent, the Company shall execute, and the Warrant Agent shall countersign and deliver as provided in Section 5 of the Warrant Agreement, in the name of the designated transferee, one or more new Warrant Certificates of any authorized denomination evidencing in the aggregate a like number of unexercised Warrants, subject to the limitations provided in the Warrant Agreement.

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Neither this Warrant Certificate nor the Warrants evidenced hereby shall entitle the holder hereof or thereof to any of the rights of a holder of the Shares, including, without limitation, the right to receive dividends, if any, or payments upon the liquidation, dissolution or winding up of the Company or to exercise voting rights, if any.

The Warrant Agreement and this Warrant Certificate may be amended as provided in the Warrant Agreement including, under certain circumstances described therein, without the consent of the holder of this Warrant Certificate or the Warrants evidenced thereby.

THIS WARRANT CERTIFICATE AND ALL RIGHTS HEREUNDER AND UNDER THE WARRANT AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS FORMED AND TO BE PERFORMED ENTIRELY WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO THE CONFLICTS OF LAW PROVISIONS THEREOF TO THE EXTENT SUCH PRINCIPLES OR RULES WOULD REQUIRE OR PERMIT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

This Warrant Certificate shall not be entitled to any benefit under the Warrant Agreement or be valid or obligatory for any purpose, and no Warrant evidenced hereby may be exercised, unless this Warrant Certificate has been countersigned by the manual signature of the Warrant Agent.

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IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated as of _____, 200__

Tower Semiconductor Ltd.

By:

Authorized Officer

Continental Stock Transfer
& Trust Company,
as Warrant Agent

By:

Authorized Officer

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[REVERSE]

Instructions for Exercise of Warrant

To exercise the Warrants evidenced hereby, the holder or Participant must, by 5:00 P.M., New York City time on the specified Exercise Date, deliver to the Warrant Agent at its stock transfer division, a certified or official bank check payable to the Warrant Agent or a wire transfer in immediately available funds to an account designated by the Warrant Agent, in an amount equal to the Exercise Price in full for the Warrants exercised. In addition, the Warrant holder or Participant must provide the information required below and deliver this Warrant Certificate to the Warrant Agent at the address set forth below and the Book-Entry Warrants

to the Warrant Agent in its account with the Depository designated for such purpose. The Warrant Certificate and this Election to Purchase must be received by the Warrant Agent by 5:00 P.M., New York time, on the specified Exercise Date.

ELECTION TO PURCHASE
TO BE EXECUTED IF WARRANT HOLDER DESIRES
TO EXERCISE THE WARRANTS EVIDENCED HEREBY

The undersigned hereby irrevocably elects to exercise, on _____, ____ (the "Exercise Date"), _____ Warrants, evidenced by this Warrant Certificate, to purchase _____ Ordinary Shares (each a "Share") of Tower Semiconductor Ltd., an Israeli company (the "Company"), and represents that, on or before the Exercise Date, such holder has tendered payment for such Shares by certified or official bank check or bank wire transfer in immediately available funds to the order of the Company c/o Continental Stock Transfer & Trust Company, 17 Battery Place, New York, New York 10004, in the amount of \$_____ in accordance with the terms hereof. The undersigned requests that said number of Shares be in fully registered form, registered in such names and delivered, all as specified in accordance with the instructions set forth below.

If said number of Shares is less than all of the Shares purchasable hereunder, the undersigned requests that a new Warrant Certificate evidencing the remaining balance of the Warrants evidenced hereby be issued and delivered to the holder of the Warrant Certificate unless otherwise specified in the instructions below.

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Dated: _____, ____

Name _____

(Please Print)

/ / / / - / / / - / / / / /

(Insert Social Security
or Other Identifying
Number of Holder)

Address _____

Signature _____

This Warrant may only be exercised by presentation to the Warrant Agent at one of the following locations:

By hand at: 17 Battery Place, New York, NY 10004

By mail at: 17 Battery Place, New York, NY 10004

The method of delivery of this Warrant Certificate is at the option and risk of the exercising holder and the delivery of this Warrant Certificate will be deemed to be made only when actually received by the Warrant Agent. If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to assure timely delivery.

(Instructions as to form and delivery of Shares and/or Warrant Certificates)

Name in which Shares
are to be registered if other than
in the name of the registered holder
of this Warrant Certificate:

Address to which Shares
are to be mailed if other than to the
address of the registered holder of
this Warrant Certificate as shown on
the books of the Warrant Agent:

(Street Address)

(City and State) (Zip Code)

Name in which Warrant Certificate
evidencing unexercised Warrants, if any,
are to be registered if other than in the
name of the registered holder of this
Warrant Certificate:

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Address to which certificate representing
unexercised Warrants, if any, are to be
mailed if other than to the address of
the registered holder of this Warrant

Certificate as shown on the books of the Warrant Agent:

(Street Address)

(City and State) (Zip Code)

Dated:

Signature

Signature must conform in all respects to the name of the holder as specified on the face of this Warrant Certificate. If Shares, or a Warrant Certificate evidencing unexercised Warrants, are to be issued in a name other than that of the registered holder hereof or are to be delivered to an address other than the address of such holder as shown on the books of the Warrant Agent, the above signature must be guaranteed by an Eligible Guarantor Institution (as that term is defined in Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended).

SIGNATURE GUARANTEE

Name of Firm _____

Address _____

Area Code _____
and Number _____

Authorized
Signature _____

Name _____

Title _____

Dated: _____, 20__

ASSIGNMENT

(FORM OF ASSIGNMENT TO BE EXECUTED IF WARRANT HOLDER DESIRES TO TRANSFER WARRANTS EVIDENCED HEREBY)

FOR VALUE RECEIVED, _____ HEREBY SELL(S), ASSIGN(S) AND TRANSFER(S) UNTO

(Please print name and address including zip code of assignee)

(Please insert social security or other identifying number of assignee)

the rights represented by the within Warrant Certificate and does hereby irrevocably constitute and appoint _____ Attorney to transfer said Warrant Certificate on the books of the Warrant Agent with full power of substitution in the premises.

Dated:

Signature

(Signature must conform in all respects to the name of the holder as specified on the face of this Warrant Certificate and must bear a signature guarantee by an Eligible Guarantor Institution (as that term is defined in Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended).

SIGNATURE GUARANTEE

Name of Firm _____

Address _____

Area Code _____
and Number _____

Authorized
Signature _____

Name _____

Title _____

Dated: _____, 20__

ASSUMPTION AGREEMENT

This Assumption Agreement (this "Assumption Agreement") is entered into as of September 19, 2008, by and among Jazz Technologies, Inc. (previously named Acquiror Technology Inc.), a Delaware corporation (the "Company"), Tower Semiconductor Ltd., an Israel company ("Parent"), and Continental Stock Transfer & Trust Company, a New York corporation (the "Warrant Agent").

WHEREAS, the Company and the Warrant Agent are parties to that certain Warrant Agreement dated as of March 15, 2006 (as clarified by that certain Warrant Clarification Agreement dated as of November 9, 2006, the "Warrant Agreement"; capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Warrant Agreement);

WHEREAS, Parent, Armstrong Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of Parent ("Merger Sub"), and the Company are parties to that certain Agreement and Plan of Merger and Reorganization dated as of May 19, 2008 (the "Merger Agreement"), pursuant to which, subject to the terms and conditions set forth therein, Merger Sub has agreed to merge with and into the Company, with the Company being the surviving corporation and a wholly owned subsidiary of Parent (the "Merger");

WHEREAS, pursuant to the Merger Agreement, at the effective time of the Merger (the "Effective Time"), by virtue of the Merger and without any further action on the part of Parent, Merger Sub, the Company or any stockholder of the Company, each share of Common Stock outstanding immediately prior to the Effective Time shall be converted into the right to receive 1.8 ordinary shares, par value NIS 1.00 per share, of Parent ("Parent Ordinary Shares"); and

WHEREAS, pursuant to Section 4.4 of the Warrant Agreement and Section 4.9(b) of the Merger Agreement, upon the Effective Time, each outstanding Warrant will be assumed by Parent and will continue to have, and be subject to, the same terms and conditions of such Warrant immediately prior to the Effective Time, except that, in accordance with Section 4.4 of the Warrant Agreement, (i) each Warrant will be exercisable for that number of Parent Ordinary Shares equal to the product of the number of shares of Common Stock that were issuable upon exercise of such Warrant immediately prior to the Effective Time multiplied by 1.8, and (ii) the per share exercise price for the Parent Ordinary Shares issuable upon exercise of such assumed Warrant will be equal to the quotient determined by dividing the exercise price per share of Common Stock at which such Warrant was exercisable immediately prior to the Effective Time by 1.8.

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NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company, Parent and the Warrant Agent hereby agree as follows:

1. Assignment and Assumption.

(a) Upon the Effective Time, the Company hereby assigns, and Parent hereby assumes, the rights and obligations of the Company under the Warrant Agreement and the Warrants, including the obligation to issue Parent Ordinary Shares upon the exercise of the Warrants, and Parent hereby agrees to faithfully perform, satisfy and discharge when due, the liabilities and obligations of the Company under the Warrant Agreement and the Warrants.

(b) Parent acknowledges and agrees that subject to the terms of the Warrant Agreement, the Warrants and this Assumption Agreement, the Warrant Agreement and the Warrants shall continue in full force and effect and that all of the Company's obligations thereunder shall be valid and enforceable as against Parent upon consummation of the Merger and shall not be impaired or limited by the execution or effectiveness of this Assumption Agreement. Parent represents that it has taken all corporate action necessary to reserve for issuance a sufficient number of Parent Ordinary Shares for delivery upon exercise of assumed Warrants on the terms set forth herein and in the Merger Agreement.

(c) This Assumption Agreement is being executed and delivered pursuant and subject to the Warrant Agreement. Nothing in this Assumption Agreement shall, or shall be deemed to, defeat, limit, alter, impair, enhance or enlarge any right, obligation, claim or remedy created by the Warrant Agreement or any other document or instrument delivered pursuant to or in connection with it.

2. Miscellaneous.

(a) Governing Law. The validity, interpretation, and performance of this Assumption Agreement and of the Warrants shall be governed in all respects by the laws of the State of New York, without giving effect to conflicts of law principles that would result in the application of the substantive laws of another jurisdiction. Parent hereby agrees that any action, proceeding or claim against it arising out of or relating in any way to this Assumption Agreement shall be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York, and irrevocably submits to such jurisdiction, which jurisdiction shall be exclusive. Parent hereby waives any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum. Any such process or summons to be served upon Parent may be served by transmitting a copy thereof by registered or certified mail, return receipt requested, postage prepaid, addressed to it at the address set forth below:

Tower Semiconductor Ltd.
Ramat Gavriel Industrial Area
P.O. Box 619
Migdal Haemek Israel 23105
Attention: Chief Financial Officer
Facsimile: + 972-(4)-604-7242

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with copies (which shall not constitute notice) to:

Yigal Arnon & Co.

1 Azrieli Center
Tel-Aviv 67021
Israel
Attn: David Schapiro
Facsimile: +972-(3)-608-7714

and

O'Melveny & Myers LLP
275 Battery Street, Suite 2600
San Francisco, CA 94111
Attn: Michael S. Dorf
Facsimile: +1-(415)-984-8701

Such mailing shall be deemed personal service and shall be legal and binding upon Parent in any action, proceeding or claim. The foregoing shall also constitute the filing of a new address by the Company to the Warrant Agent pursuant to Section 9.2 of the Warrant Agreement.

(b) Binding Effect. This Assumption Agreement shall be binding upon and inure to the benefit of the parties hereto and to their respective heirs, legal representatives, successors and assigns.

(c) Entire Agreement. This Assumption Agreement sets forth the entire agreement and understanding between the parties as to the subject matter thereof and merges and supersedes all prior discussions, agreements and understandings of any and every nature among them. Except as set forth in this Assumption Agreement, provisions of the Warrant Agreement which are not inconsistent with this Assumption Agreement shall remain in full force and effect. This Assumption Agreement may be executed in counterparts.

(d) Severability. This Assumption Agreement shall be deemed severable, and the invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of this Assumption Agreement or of any other term or provision hereof. Furthermore, in lieu of any such invalid or unenforceable term or provision, the parties hereto intend that there shall be added as part of this Assumption Agreement a provision as similar in terms to such invalid or unenforceable provision as may be possible and be valid and enforceable.

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IN WITNESS WHEREOF, the parties hereto have executed this Assumption Agreement as of the date first written above.

JAZZ TECHNOLOGIES, INC.

By: /s/ Gilbert F. Amelio

Gilbert F. Amelio
Chairman and Chief Executive Officer

TOWER SEMICONDUCTOR LTD.

By: /s/ Russell Ellwanger

Russell Ellwanger
Chief Executive Officer

CONTINENTAL STOCK TRANSFER & TRUST COMPANY

By: /s/ Mark B. Zimkind

Mark B. Zimkind
Vice President

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