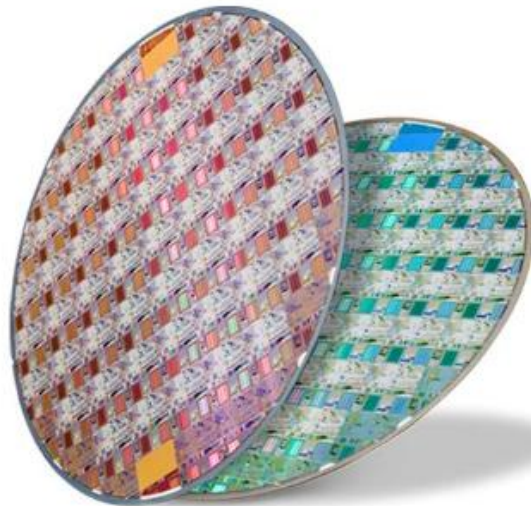


The slides contained in this filing were presented to analysts on May 20, 2008, by Russell C. Ellwanger, the Chief Executive Officer of Tower Semiconductor Ltd. ("Tower"), Oren Shirazi, the Chief Financial Officer of Tower, and other executives of Tower, and Paul Pittman the Chief Financial Officer of Jazz Technologies, Inc.



Tower Semiconductor and Jazz Technologies

Creating the Leading Specialty Foundry



The information presented today contains forward-looking statements that relate to anticipated future operating results. Those statements are based on management's current expectations and assumptions, which may be affected by subsequent developments and business conditions, and necessarily involve risks and uncertainties. Therefore, there can be no assurance that actual future results will not differ materially from anticipated results.

For a discussion of risks and uncertainties that may affect the accuracy of forward-looking statements or which may otherwise affect our business, please see the information included under the heading "Risk Factors" in our most recent filings on Forms 20-F, F-1, F-3 and 6-K, as were filed with the Securities and Exchange Commission and the Israel Securities Authority

Transaction Overview

Tower Semiconductor has signed a definitive agreement to acquire Jazz Technologies in a stock-for-stock transaction

- Jazz shareholders to receive 1.8 shares of Tower for each Jazz share
- Implies \$40 million in value based on Tower's closing price of \$1.16
- Customary closing conditions including Jazz shareholder approval
- Expected to close in 2nd half 2008

Merger is expected to create the leading pure-play specialty foundry and #7 overall pure-play foundry

3

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Information herein is proprietary and shall not be furnished to third parties or made public

Increased Capacity and Scale to Attract Larger Customers

Global Presence Improves Geographic Reach and Distribution

**Leadership In Specialty Process Technologies:
CMOS Image Sensor, SiGe, Power Mgmt, NVM, RF-CMOS, BCD**

Synergies of Value Add Technologies Enables Higher Margins

Diverse Customer Base in High Growth Markets

Significant Synergy Potential Both on Revenues and Expenses

4

Creating the Leading Specialty Foundry

Increased Capacity and Scale to Attract Larger Customers

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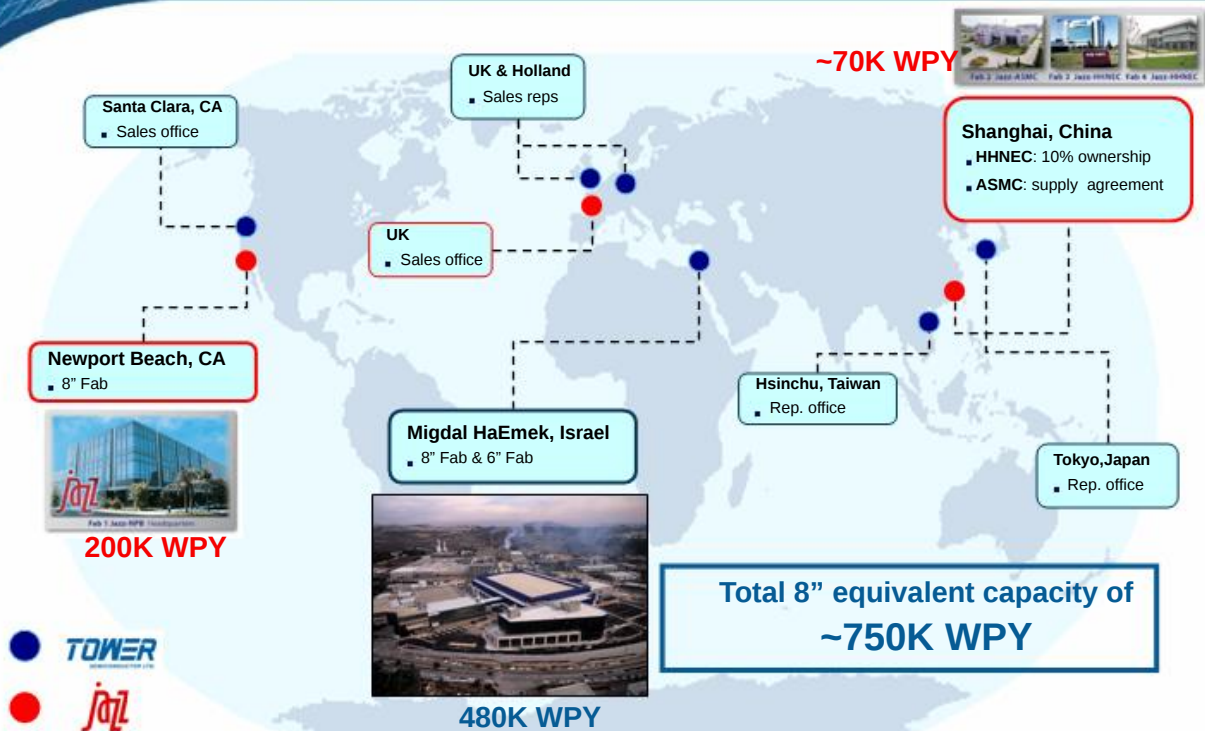
Significant Synergy Potential Both on Revenues and Expenses

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5

Global Infrastructure



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6

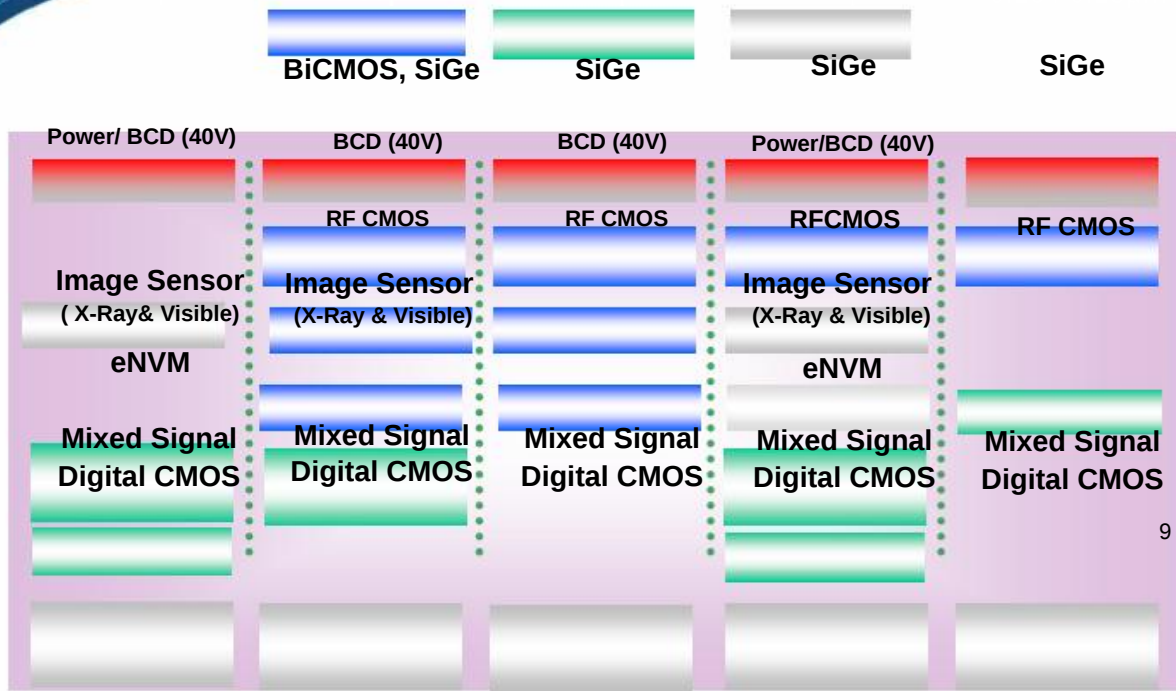
Dongbu	\$510
Vanguard	\$486
\$438	
 X-Fab	\$410
SSMC	\$350
HHNEC	\$335
He Jian	\$330
Grace	\$214
Silterra	\$185
ASMC	\$170
Mosel Vitelics	\$157
CSMC	\$155

Tower / Jazz is Pro Forma
Source: IC Insights 5/2008

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9

Creating the Leading Specialty Foundry

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10

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	05vs04		06vs05		07vs06		07vs05	
1	Dongbu	52%	Tower	99%	X-Fab	41%	Tower	146%
2	Others	38%	Grace	91%	CSMC Tech.	36%	Grace	114%
3	SMIC	20%	ASMC	49%	Tower	24%	X-Fab	103%
4	X-Fab	14%	CSMC Tech.	46%	Vanguard	22%	CSMC Tech.	99%

5	He Jian	9%	X-Fab	44%	Silterra	19%	Others	55%
6	SSMC	8%	Chartered	35%	Others	17%	ASMC	49%
7	TSMC	7%	Others	32%	He Jian	14%	Dongbu	47%
8	Chartered	3%	Dongbu	31%	Grace	12%	Silterra	42%
9	Polar Semi.	-2%	SMIC	25%	Dongbu	12%	Vanguard	37%
10	CSMC Tech.	-3%	Silterra	19%	Polar Semi.	11%	SMIC	33%
11	HHNEC	-3%	TSMC	19%	SSMC	8%	He Jian	32%
12	ASMC	-9%	SSMC	16%	Jazz	8%	Chartered	28%
13	Jazz	-10%	He Jian	16%	SMIC	6%	SSMC	25%
14	Silterra	-13%	Vanguard	13%	HHNEC	6%	TSMC	19%
15	1st Silicon	-15%	UMC	13%	UMC	2%	Polar Semi.	17%
16	UMC	-16%	Jazz	7%	TSMC	1%	Jazz	16%
17	Tower	-24%	Polar Semi.	6%	Mosel-Vitelec	1%	UMC	15%
18	Vanguard	-26%	HHNEC	1%	ASMC	0%	HHNEC	7%
19	Grace	-31%	1st Silicon	NA	Chartered	-5%	Mosel-Vitelec	NA
20	Mosel-Vitelec	NA	Mosel-Vitelec	NA	1st Silicon	NA	1st Silicon	NA

Source: The McClean Report, 2008 edition

11

Diverse Customer Base



No customer overlap out of the top 20 and only three out of the top 50



12

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Migdal Haemek, Israel

TSEM (NASDAQ & Tel Aviv Stock Exchange)

2,100

Three fully owned (US and Israel), equity stake and partnership in Chinese fabs - ~750,000 annual wafer capacity (8" equivalents)

SiGe/BiCMOS 0.35 to 0.13u

Analog CMOS/RFCMOS/BCD 0.8 to 0.16u

CMOS Image Sensor 1.0u - 0.18u

CMOS 1.0u to 0.13u

Key Financial Highlights

Combined trailing twelve months (TTM) revenues of \$443 million
Impressive cash flow generation with \$79 million of TTM EBITDA
Substantial, revenue and cost savings of up to \$40 million annually
Improved leverage ratios
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Forward-Looking

This document contains forward-looking statements concerning risks, uncertainties, and other factors that may affect Tower's business. The customer benefits, financial savings, and other factors mentioned in this document are based on current expectations and assumptions. The customer benefits of the proposed merger may vary. Tower and Jazz with their respective businesses are important factors in the statements set forth



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1995, including a number of items other than profits, costs and other forward-looking information. At the time of the merger, the information provided by Tower and Jazz is forward-looking information and may not materialize or occur.

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or if any of them do so, what impact they will have on the results of operations or financial condition of Tower or Jazz. Tower and Jazz are providing this information as of the date of this document and neither Tower nor Jazz undertakes any obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise.

A more 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 business is included under the heading "Risk Factors" in Tower's most recent filings on Forms 20-F, F-3 and 6-K, as were filed with the SEC and the Israel Securities Authority. Future results may differ materially from those previously reported. Tower does not intend to update, and expressly disclaims any obligation to update, the information contained in this document.

Additional Information about the Proposed Merger and Where to Find It

In connection with the proposed merger, Tower intends to file with the SEC a Registration Statement on Form F-4 that will contain a Proxy Statement/Prospectus and related materials and Jazz expects to mail to its stockholders the final Proxy Statement/Prospectus containing information about Tower, Jazz and the proposed merger. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND THE OTHER RELEVANT MATERIALS, CAREFULLY AND IN THEIR ENTIRETY, WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT TOWER, JAZZ AND THE PROPOSED MERGER. Investors and security holders will be able to obtain free copies of the Registration Statement on Form F-4, the Proxy Statement/Prospectus and other relevant materials and documents filed by Tower or Jazz with the SEC, when they become available, through the web site maintained by the SEC at www.sec.gov. In addition, investors and security holders may obtain free copies of the documents relating to the proposed merger filed with the SEC by Tower by directing a request by mail to Tower Semiconductor Ltd, P.O. BOX 619, Migdal Haemek, Israel 23105, Attn: Investor Relations or by telephone at +972-4-6506936. Investors and security holders may obtain free copies of the documents relating to the proposed merger filed with the SEC by Jazz by directing a request by mail to Jazz Technologies, Inc., 4321 Jamboree Road, Newport Beach, California 92660, Attn: Investor Relations or by telephone at +1 415 445-3236.

Tower, Jazz and their respective executive officers and directors, under SEC rules, may be deemed to be participants in the solicitation of proxies from the stockholders of Jazz in connection with the proposed merger. Investors and security holders may obtain information regarding the special interests of these executive officers and directors in the proposed merger by reading the Proxy Statement/Prospectus filed with the SEC when it becomes available. Additional information regarding Tower's executive officers and directors is included in Tower's Form 20-F for the year ended December 31, 2006, which was filed with the SEC on June 25, 2007. Additional information regarding the executive officers and directors of Jazz is included in Jazz's Proxy Statement for its 2008 Annual Meeting of Stockholders, which was filed with the SEC on April 7, 2008. These documents are available free of charge at the SEC's web site at www.sec.gov and are also available free of charge from Investor Relations at Tower and Jazz by contacting Tower and Jazz as described above.