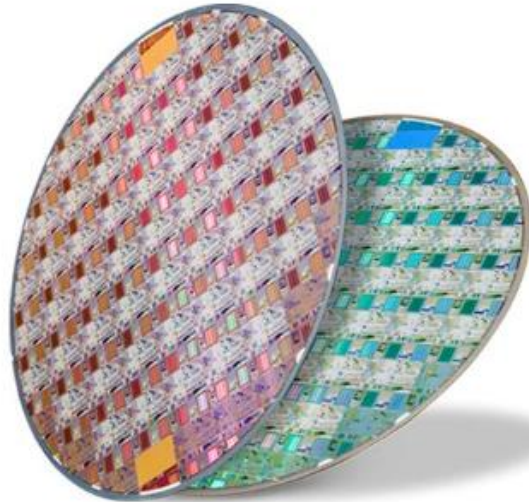


The slides contained in this filing were used in a presentation given to media and analysts on July 9, 2008, hosted by Russell C. Ellwanger, the Chief Executive Officer of Tower Semiconductor Ltd.



Tower Semiconductor

Collins Stewart
July 9, 2008



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.

Q1- 2008 Financial Results

Financial Highlights

- Achieved revenue of \$57.6M
 - 2nd highest quarterly revenue in the Company's history
- Positive cash flow from operations for the 6th consecutive quarter and positive EBITDA for the 10th consecutive quarter

Major Announcements

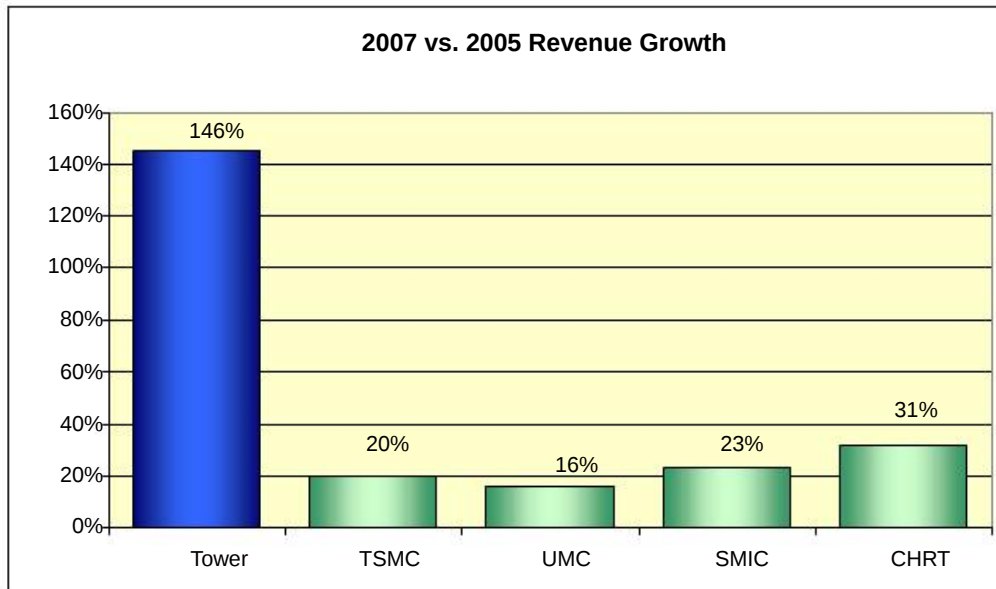
- Tower Semiconductor Chosen as Strategic Supplier for a Select Portfolio of CMOS Products by ON Semiconductor:
 - Launch a Multi-Year and Potentially Multi-Million Dollar Collaboration Project
 - Co-develop and manufacture multiple lines of products
- Ramping to production of Canesta's 3D Image Sensors in Fab 2 targeted at the automotive and gaming / 3D camera market
- Initiated production of N-trig's Digitizer Chips in Fab 2 targeted at the convertible notebook market
- Tower Semiconductor to Launch Volume Production of QuickLogic's ArcticLink II VX Solution Platforms for Mobile Display Devices

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(in \$M)		2005		2006		2007
A	TSMC	8217	TSMC	9748	TSMC	9813
B	UMC	3259	UMC	3670	UMC	3755
C	SMIC	1171	Chartered	1528	SMIC	1560
D	Chartered	1132	SMIC	1465	Chartered	1445
1	Vanguard	353	Dongbu	456	Dongbu	510
2	Dongbu	347	Vanguard	398	Vanguard	485
3	HHNEC	313	SSMC	325	X-Fab	410
4	SSMC	280	HHNEC	315	SSMC	350
5	He Jian	250	X-Fab	290	HHNEC	335
6	X-Fab	202	He Jian	290	He Jian	330
7	Jazz	199	Jazz	213	Tower	231
8	Mosel-Vitelic	140	Grace	191	Jazz	207
9	Silterra	130	Tower	187	Grace	214
10	ASMC	114	ASMC	170	Silterra	185
11	Grace	100	Silterra	155	ASMC	170
12	Tower	94	Mosel-Vitelic	155	Mosel-Vitelic	157
13	Polar Semi.	90	CSMC Tech.	114	CSMC Tech.	155
14	CSMC Tech.	78	Polar Semi.	95	Polar Semi.	105
15	1st Silicon	71	1st Silicon	0	1st Silicon	0

Tower Revenues vs. Leading Foundries



* 2005 data excludes \$8M effect from a Fab2 technology agreement

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Foundry Revenue Growth Y/Y

	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-Vitellic	1%	UMC	15%
18	Vanguard	-26%	HHNEC	1%	ASMC	0%	HHNEC	7%
19	Grace	-31%	1st Silicon	NA	Chartered	-5%	Mosel-Vitellic	NA
20	Mosel-Vitellic	NA	Mosel-Vitellic	NA	1st Silicon	NA	1st Silicon	NA

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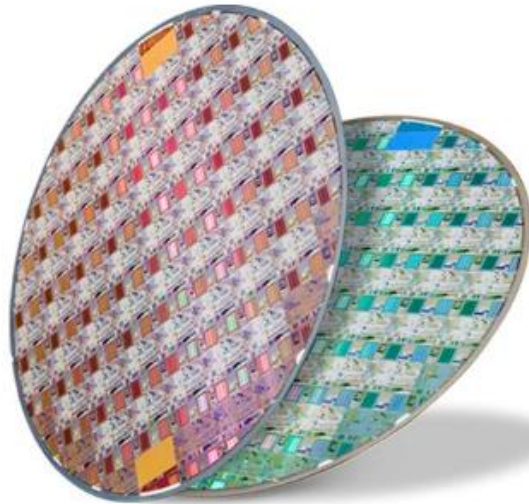
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What Will Fuel Our Organic Growth		TOWER SEMICONDUCTOR LTD.
0.13u Capacity Utilization Growth	<ul style="list-style-type: none"> ▪ New project with existing high volume 0.13um customer ▪ Existing very large volume customer has taped out 0.13u product with volume ramp expected to start in Q1-09 ▪ Return customer (large IDM) expected to tape out in Q4-08 ▪ 0.13u cross sales from Jazz customers ▪ Mid 2009, greater than 10,000 wpm potential 	
IDM	<ul style="list-style-type: none"> ▪ Multiple IDM transfers in stages of growth, as well as new opportunities in several stages of closure ▪ Porting from fab closure for large volume customer 	
CMT Joint Venture	<ul style="list-style-type: none"> ▪ First product has fab'ed out and being evaluated 	
Power Management	<ul style="list-style-type: none"> ▪ Won the 1st customer project with new power management platform 	
RFID	<ul style="list-style-type: none"> ▪ Increased world wide RFID activity including prototype activities with 2 industry leading Chinese customers 	
Image Sensors	<ul style="list-style-type: none"> ▪ Continue to gain design wins for multiple Image Sensors applications 	

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Summary of Tower Stand Alone	TOWER SEMICONDUCTOR LTD.
<ul style="list-style-type: none"> • 2006 was a breakout year for Tower <ul style="list-style-type: none"> – 99% annual growth vs. foundry industry weighed average growth of 25% – Achieved consecutive quarterly record sales – Achieved positive EBITDA in all quarters – Achieved positive cash from operations in Q4'06, per target • 2007-2008 continues the momentum <ul style="list-style-type: none"> – 2007 YTD year-over-year 23% up vs. industry up 3% – Q1-2008 revenue of \$57.6M, representing the 2nd highest quarterly revenue in the Company's history – Achieved positive EBITDA in all quarters – Achieved positive cash from operations in all quarters • Several new growth opportunities at various stages incorporating Tower's design and specialty manufacturing capabilities 	

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Tower Semiconductor and Jazz Technologies

Creating the Leading Specialty Foundry



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
- 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

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- **Combined company will improve sales & EBITDA by 2X-2.5X from Day1**
- **Jazz customers synergies**
 - See next slides
- **Jazz growth**
 - See next slides

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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

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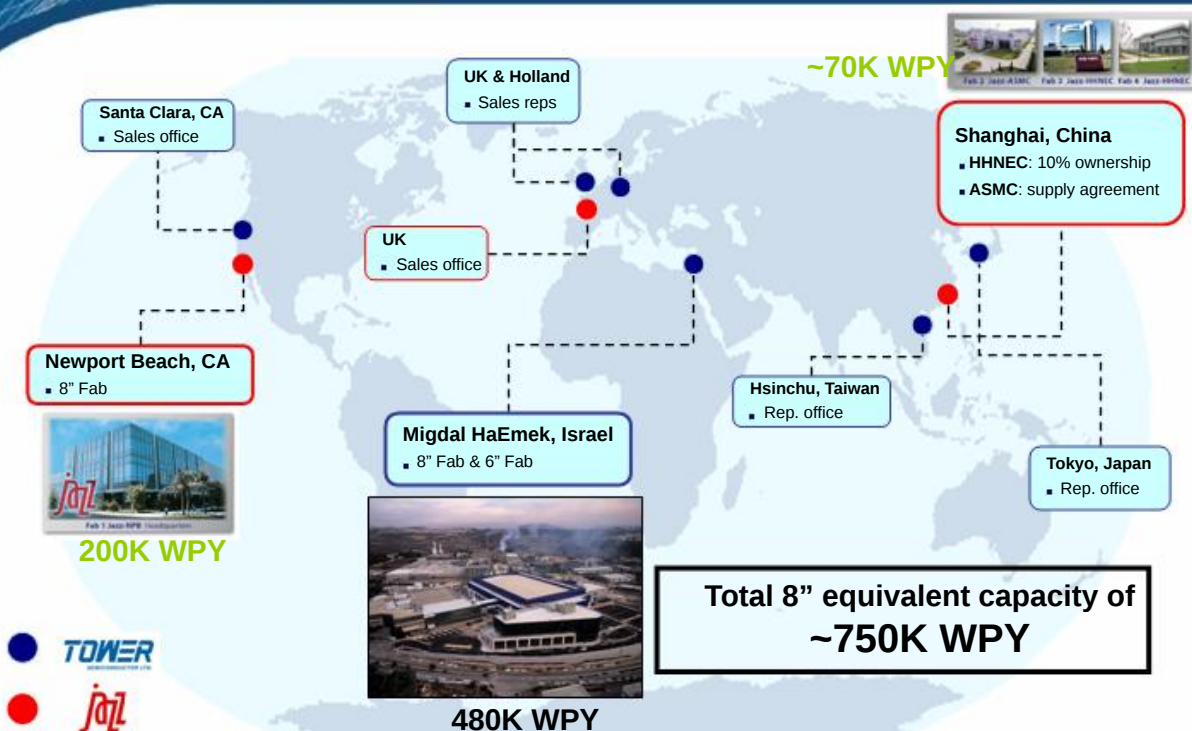
Diverse Customer Base in High Growth Markets

Significant Synergy Potential Both on Revenues and Expenses

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Global Infrastructure



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Overview of Jazz's Key Assets



Asset	Value as at Mar 28, 2008
Available Unused Credit Bank Facility	\$34 million
Accounts Receivable, net	\$26 million
Inventory, net	\$13 million
Property, Plant & Equipment, net	\$121 million (\$79 million is machinery and equipment)
Intellectual Property	\$18 million book value
Cash	\$9 million
10% Stake in Chinese Fab (HHNEC)	\$19 million book value (market value materially higher)
Balance Sheet Value	\$249 million book value (market value materially higher)

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

Foundry Revenue 2005-6-7



(in \$M)	2005		2006		2007	
1	Vanguard	353	Dongbu	456	Dongbu	510
2	Dongbu	347	Vanguard	398	Vanguard	485
3	HHNEC	313	SSMC	325	X-Fab	410
4	SSMC	280	HHNEC	315	SSMC	350
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14	CSMC Tech.	78	Polar Semi.	95	Polar Semi.	105
15	1st Silicon	71	1st Silicon	0	1st Silicon	0
16+	Others	105	Others	139	Others	163

Source: The McLean Report, 2008 edition

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Company	2007 Sales (\$M)
Dongbu	\$510
[REDACTED]	[REDACTED]
	\$438
X-Fab	\$410
TOWER 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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Creating the Leading Specialty Foundry

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

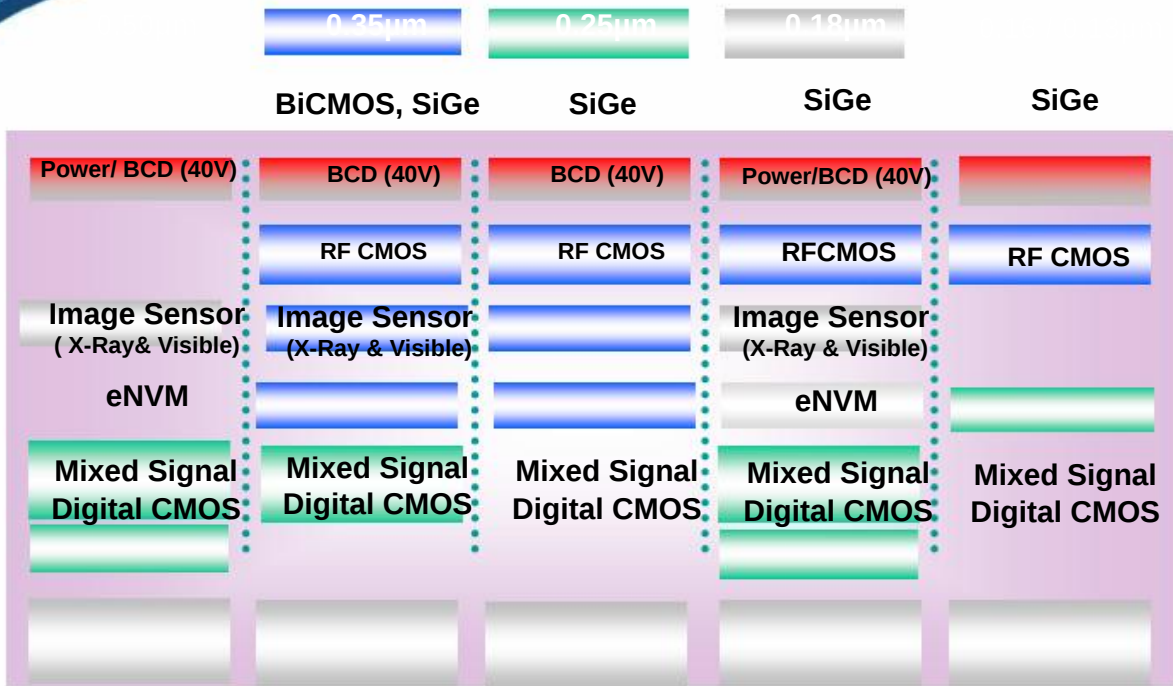
Diverse Customer Base in High Growth Markets

Significant Synergy Potential Both on Revenues and Expenses

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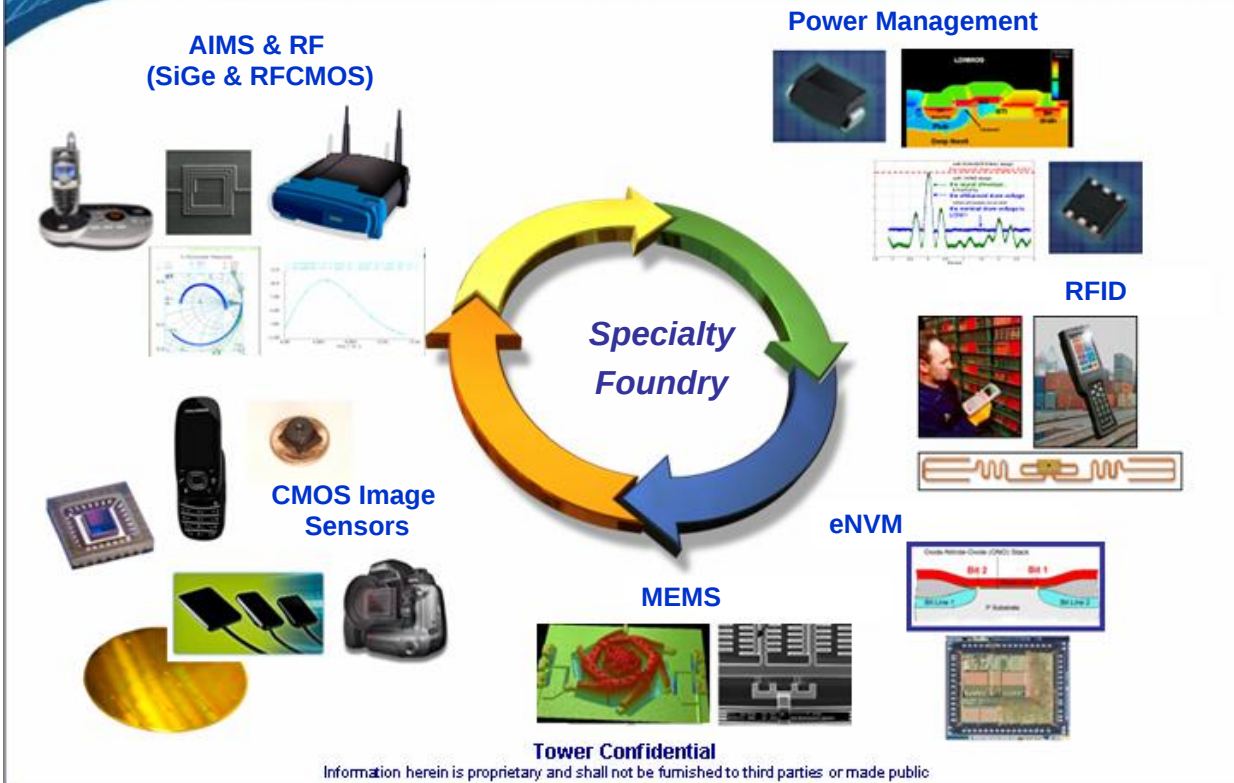
Technology Node

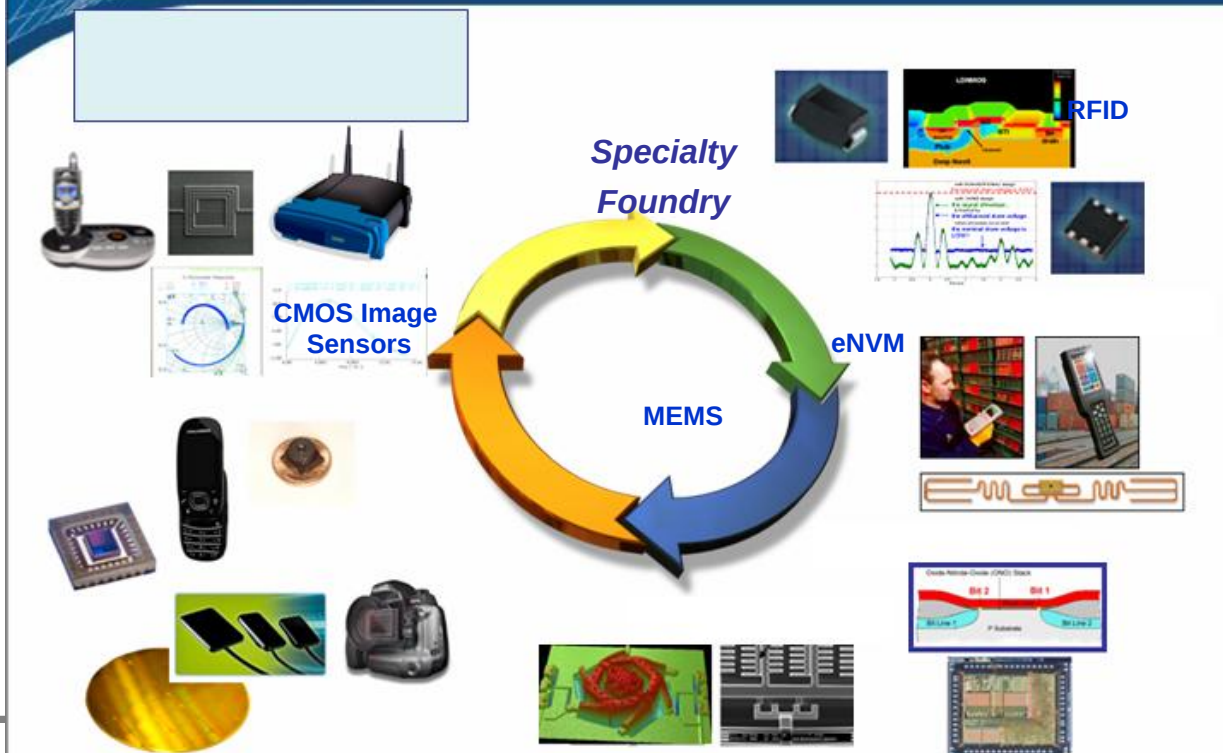


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The Specialty Foundry

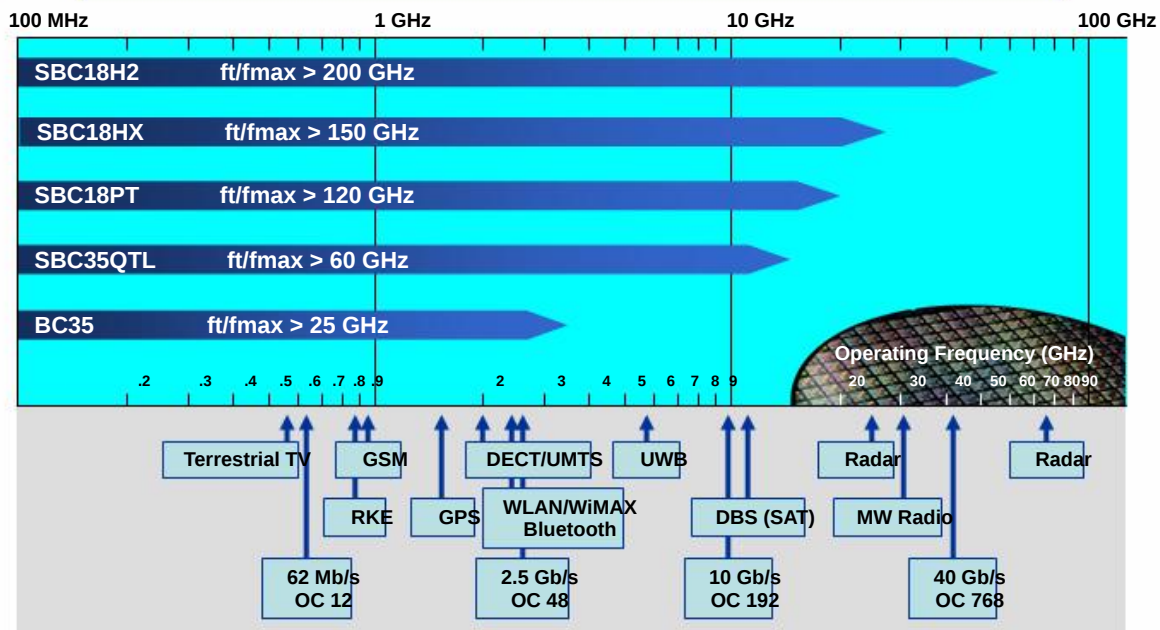




Application vs. Process Technology

TOWER
SEMICONDUCTOR LTD.

Every high-frequency application can be served through the combined offering



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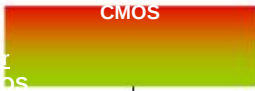
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FEM

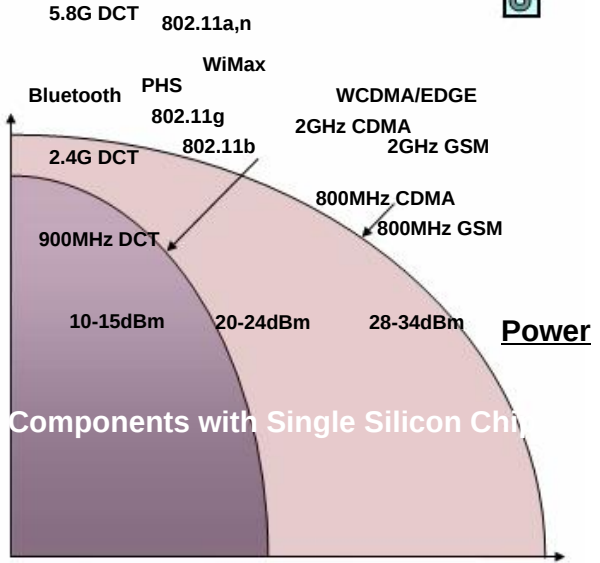
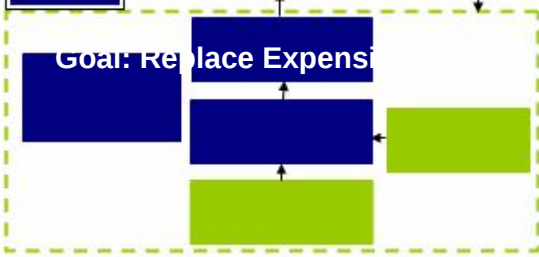
UWB



Today



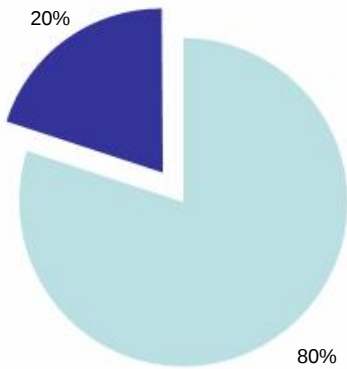
SiGe, RF CMOS



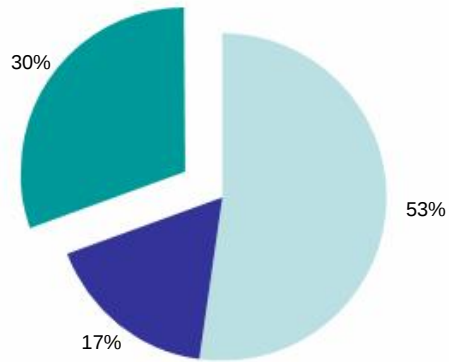
SiGe Market Overview

The SiGe market is estimated to total approx 2.0 million wafers per year and be worth approx \$3.0 billion per year (analogous foundry wafer pricing)

Pure Play Foundry vs IDM Market Share



Pure Play Market Share



Legend: IDM (light blue), Pure Play (dark blue)

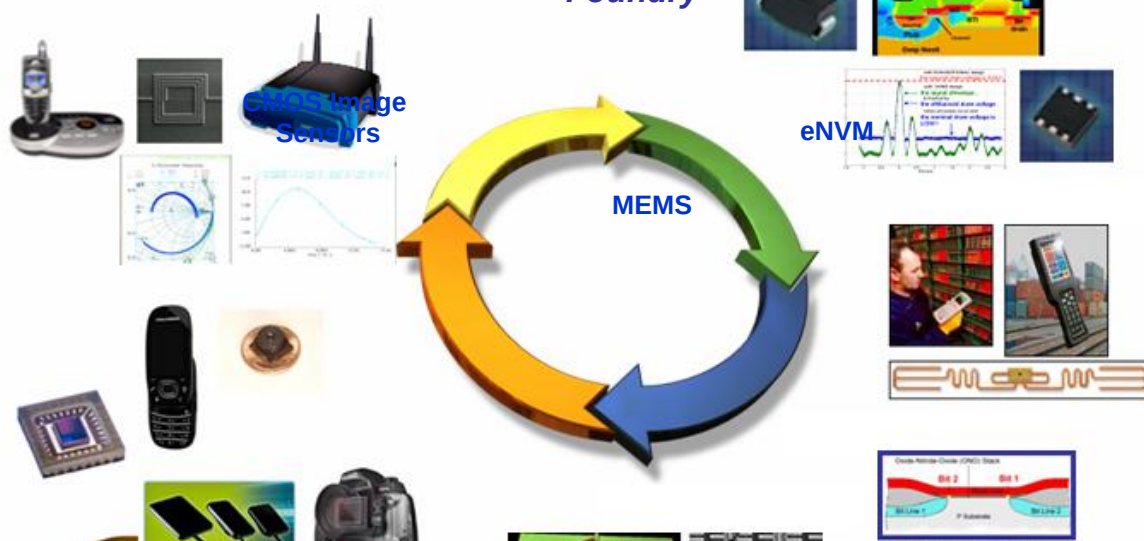
Legend: IBM (light blue), TSMC (dark blue), Jazz (teal)

Source: SemiCo 2006

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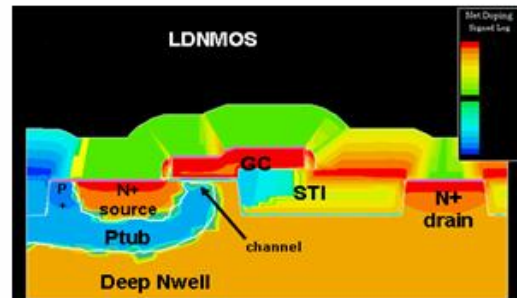
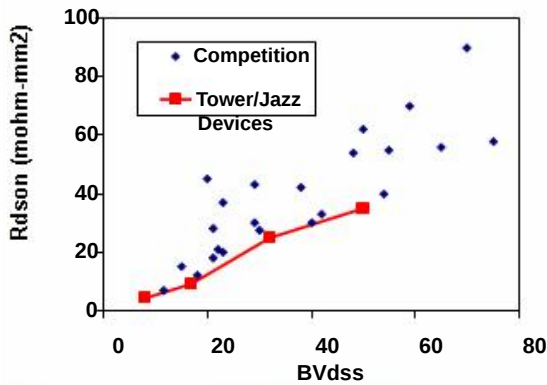
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Specialty Foundry



Power Management Technology

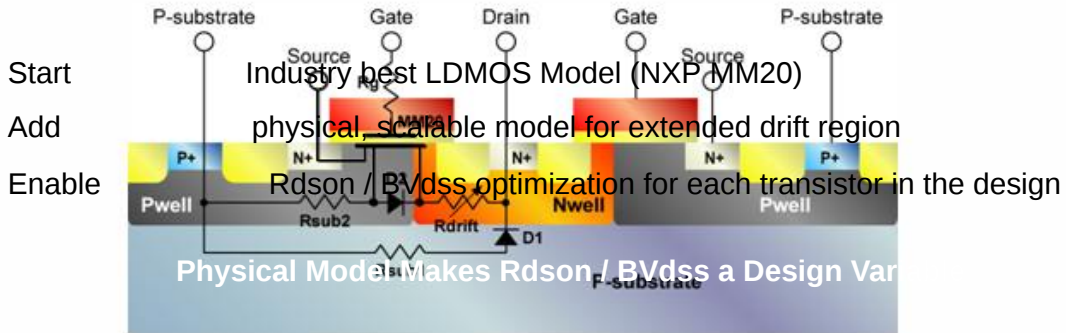
0.5um	0.25um	0.18um
BCD05 (5/16Vgs, 40Vds)	CP05 (5V CMOS)	BCD18 (1.8/5Vgs, 40Vds)
TS05 (5Vgs, 40Vds)	BCD25 (5Vgs, 40Vds)	TS18SLPM (1.8/5Vgs, 42Vds)



Best-in-Class On-Resistance Across Broad Range of Voltage and Geometry

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The Specialty Foundry

AIMS & RF (SiGe & RFCMOS)

Power Management

RFID

eNVM

MEMS

CMOS Image Sensors

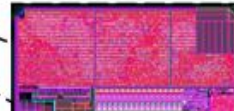
Specialty Foundry

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RFID = Radio Frequency IDentification
 An emerging new technology set out to
 replace bar-codes



0.18u Ultra Low Power RFID IC



RFID Offering @ Tower

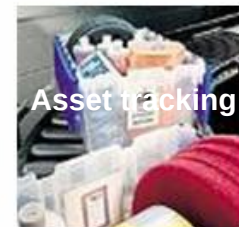
- **Specialty process & device**

- Low cost 0.18 μ m 3LM Analog (DNW, MIM) process platform
- Schottky diodes – high speed low Von rectifiers
- Native (“Zero Vt”) transistor
- Extended voltage range
- Specific Low Leakage (LL) devices
- ESD solution (low RF-loss)
- IP characterized for low Vdd operation



- **RFID NVM**

- Low power MTP and OTP solutions (no added mask)
- Developed special low power NVM cells for RFID (CFlash)



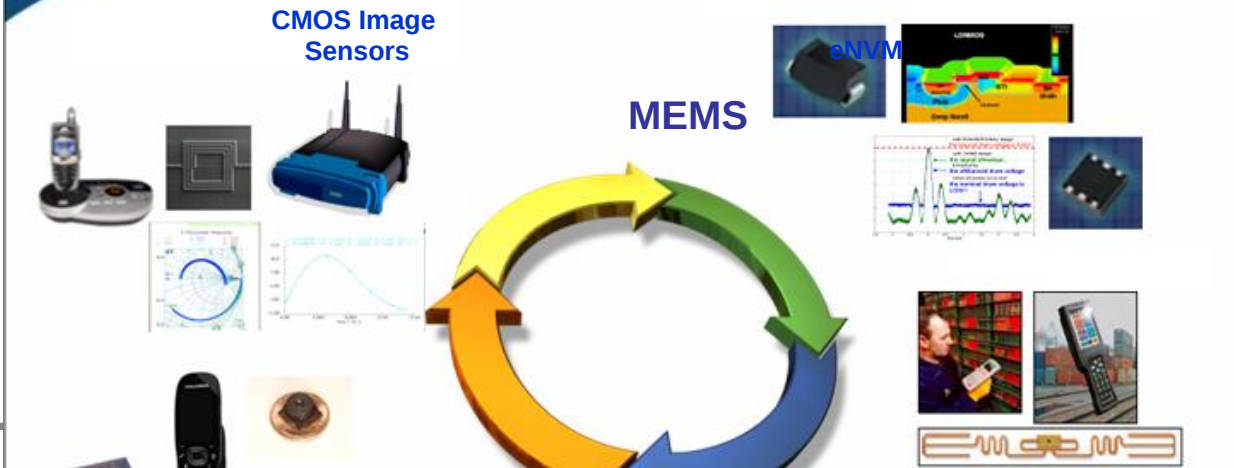
- **Devices characterized over a wide frequency range**

- **Support present systems (900MHz) and future needs (2.4GHz)**

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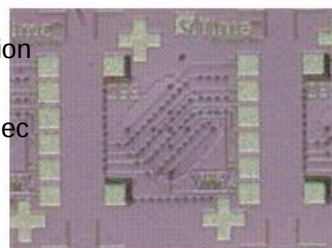
MEMS Technology and Services **JAZZ TOWER** SEMICONDUCTOR LTD.

Partnering with Customers for Volume MEMS Manufacturing

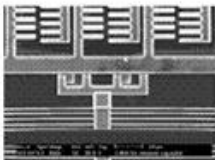
- “Transfer-in” – Transfer existing process to Jazz for volume production
- “Co-develop” – Form joint program to deliver process & product
- “Develop to spec” – Jazz and partners build process & devices to spec

Examples

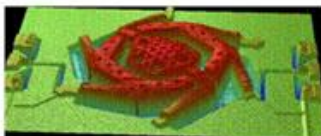
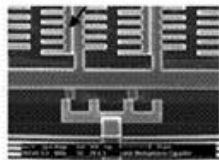
- Si MEMS: Oscillator (replacing quartz oscillator)
- RF MEMS: Tunable capacitor (for use in handsets)
- Post Process MEMS: SBC35 + CMU Post Process MPW
- Medical MEMS: In development



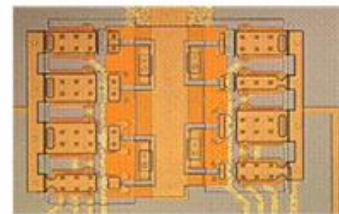
Si MEMS resonator – replaces quartz timing device. Courtesy SiTime



Tunable capacitor in VCO design courtesy Carnegie Mellon University



Interferometric image of Hex varactor

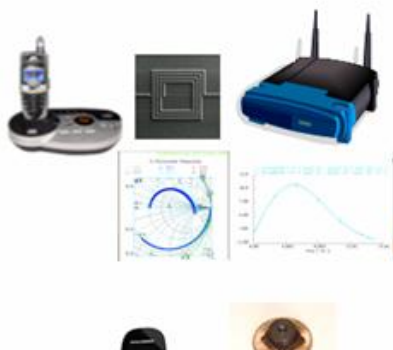


Optical image of MEMS capacitor array for duplex or MIMO function

Partnering with Customers, University, DARPA to Bring MEMS to 200mm Si Wafer Manufacturing

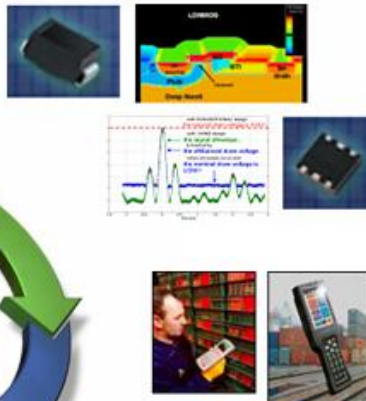
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CMOS Image Sensors



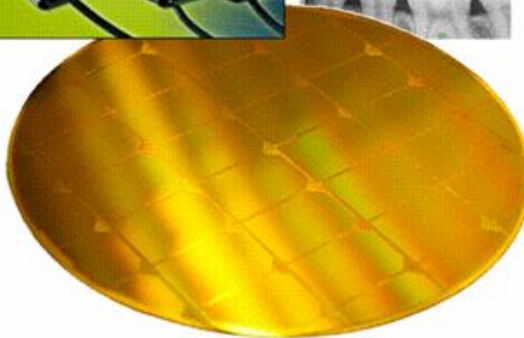
MEMS

eNVM

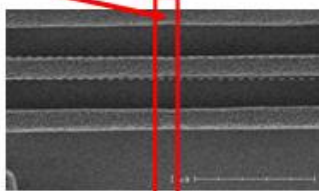


X-Ray market – Medical and Dental

- Intra-Oral dental
- Medical Imaging applications
- Unique stitching technology
- Silicon proven pixels



Seamless stitch boundary

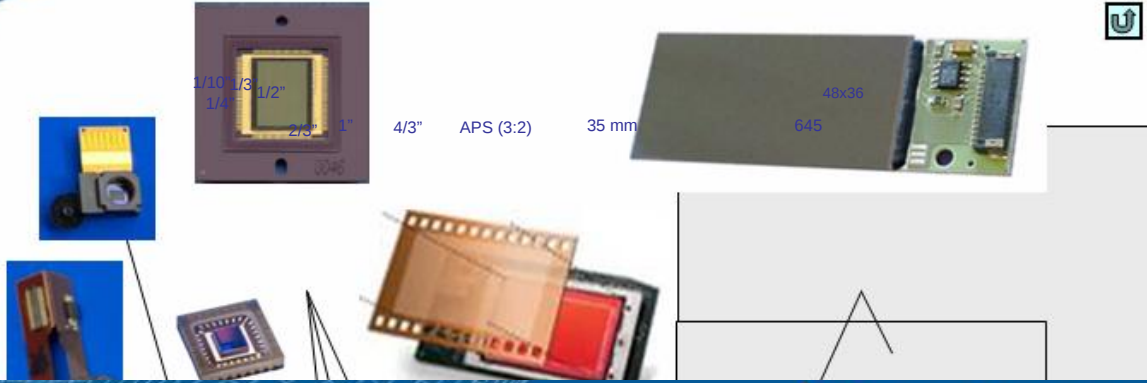


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0.28 micron stitched metal lines

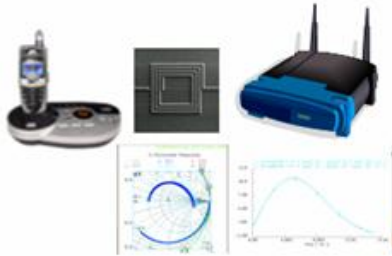
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Small Medical

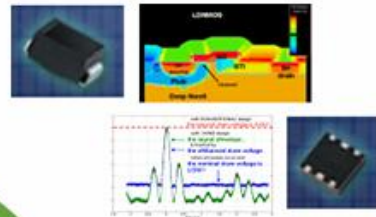


The Specialty Foundry

AIMS & RF
(SiGe & RFCMOS)



Power Management



RFID



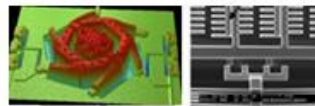
CMOS Image
Sensors



eNVM



MEMS



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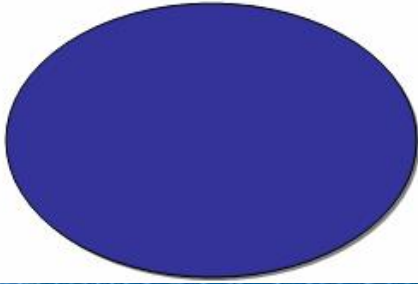
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High Performance Analog

- Optical networks
- Data converters
- Amplifiers, filters, mixers

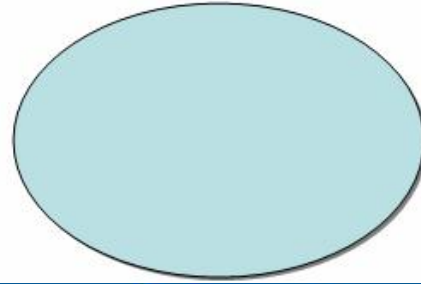
Power Management

LED Drivers
Motor Control



Aerospace & Defense

Infra-red night vision
Communications and radar



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Global Presence Improves Geographic Reach and Distribution

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4	X-Fab	14%	CSMC Tech.	46%	Vanguard	22%	CSMC Tech.	99%
5	He Jian	9%	X-Fab	44%	Silterra	19%	Others	55%
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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%
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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-Vitellic	1%	UMC	15%
18	Vanguard	-26%	HHNEC	1%	ASMC	0%	HHNEC	7%
19	Grace	-31%	1st Silicon	NA	Chartered	-5%	Mosel-Vitellic	NA
20	Mosel-Vitellic	NA	Mosel-Vitellic	NA	1st Silicon	NA	1st Silicon	NA

Source: The McLean Report, 2008 edition

Diverse Customer Base



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



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

Migdal Haemek, Israel

TSEM (NASDAQ & Tel Aviv Stock Exchange)

1,950

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

AIMS (Analog Intensive Mixed Signal)

PDK (Physical Design Kits)

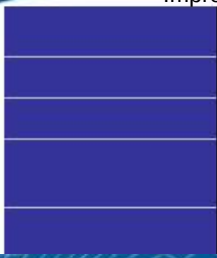
Embedded Flash MTP&OTP Solutions

Key Financial Highlights

Combined trailing twelve months (TTM) revenues of \$443 million
 Impressive cash flow generation with \$84 million of TTM EBITDA

Substantial, revenue and cost savings of up to \$40 million annually

Improved leverage ratios



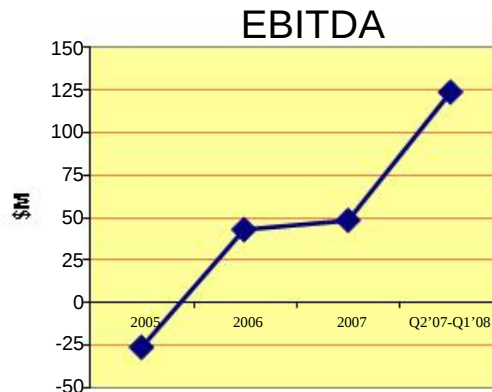
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Day-After Financials * (\$M) :



	Tower			Tower & Jazz
	2005	2006	2007	Q2'07-Q1'08
Sales	94	187	231	443
EBITDA	(26)	43	49	124



* 2005 excludes \$8M one-time effect from a Fab2 technology agreement
 ** LTM Ebitda assumes \$40 million of synergies plan as announced on May 19, 2008

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Bottom line:

Tower Will “get”:

2X sales in Day1 post closing; targeting more than 2X within a year from customer synergies

2X-2.5X Ebitda from Day1 post closing; targeting much more than that within a year from customers & cost synergies

Tower will “pay” for that:

Summary Highlights

3rd Largest Pure Play Specialty Foundry

- Increase capacity and scale to attract bigger customers
- Capacity of ~750k wafer starts annually (8" equivalents)
- Global manufacturing capacity and distribution network

Strong Sector Fundamentals

- Pure play foundry revenues expected to grow by an average of 19% annually until 2012
- Represents a growth rate of more than 50% higher than the total semi industry

Leadership in Specialty Process Technologies

- Product offering ranges from CMOS Image Sensor, NVM and RF CMOS to specialty Mixed Signal, SiGe, Power Management and RF processes
- Addition of value add technologies enable higher margins

Diversified Blue Chip Customer Base

- SanDisk, Vishay Siliconix, On Semi, International Rectifier, Freescale, Toshiba, Texas Instruments, RFMD, Entropic

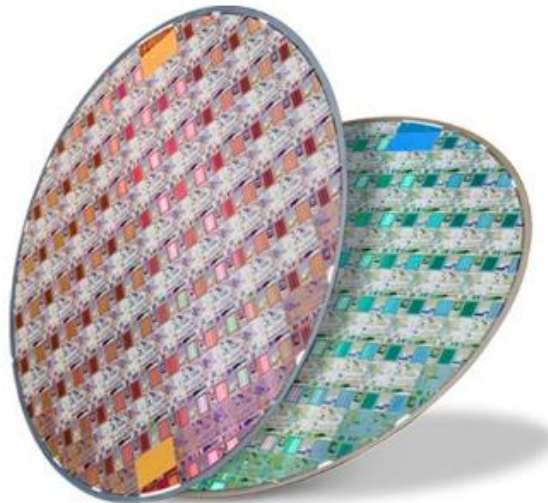
Exceptional Financial Performance and Significant Operating Leverage

- 10th successive quarters of positive EBITDA and Cash flow positive since Q4 '06
- Doubling of revenues and improved EBITDA margins through acquisition of Jazz
- Potential synergies of approx \$40 million resulting from Jazz transaction

Additional Information about the Proposed Merger and Where to Find It -

In connection with the proposed merger, Tower has filed with the SEC a Registration Statement on Form F-4 (File No. 333-151919) (the "Form F-4") that contains 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, BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT TOWER, JAZZ AND THE PROPOSED MERGER. Investors and security holders may obtain free copies of the Form F-4, the Proxy Statement/Prospectus and other relevant materials and documents filed by Tower or Jazz with the SEC 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, 2007, which was filed with the SEC on June 18, 2008. 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



Thank You



About Tower Semiconductor Ltd.

Tower Semiconductor Ltd. is a pure-play independent specialty wafer foundry established in 1993. The company manufactures integrated circuits with geometries ranging from 1.0 to 0.13-micron; it also provides complementary technical services and design support. In addition to digital CMOS process technology, Tower offers advanced mixed-signal & RF-CMOS, Power Management, CMOS image-sensor and non-volatile memory technologies. To provide world-class customer service, the company maintains two manufacturing facilities, each with standard and specialized process technology processes: Fab 1 ranging from 1.0 to 0.35 and Fab 2 featuring 0.18 and 0.13-micron. Tower's web site is located at <http://www.towersemi.com>.

Forward-Looking Statements

This document contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including statements concerning Tower's proposed merger with Jazz. These statements are based on management's current expectations and beliefs and are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those described in the forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. For example, statements of expected synergies, customer benefits, costs savings, financial guidance, the timing of closing, industry ranking, execution of integration plans and management and organizational structure are all forward-looking statements. The potential risks and uncertainties include, among others, the possibility that the merger does not close or that the closing may be delayed, that expected customer benefits, synergies and costs savings will not be achieved or that the companies are unable to successfully execute their integration strategies, that the companies may be required to modify the terms of the transaction to achieve regulatory approval or for other reasons, that prior to or after the closing of the merger, the businesses of the companies may suffer due to uncertainty, as well as other risks applicable to both Tower's and Jazz's business described in the reports filed by Tower and Jazz with the Securities and Exchange Commission (the "SEC") and, in the case of Tower, the Israel Securities Authority. These filings identify and address other important factors that could cause Tower's and Jazz's respective financial and operational results to differ materially from those contained in the forward-looking statements set forth in this document. Accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, 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.

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

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