

TowerJazz Announces Dismissal of Securities Class Action

Court Approved Plaintiffs Voluntary Dismissal of the Putative Securities Class Action against TowerJazz

MIGDAL HAEMEK, ISRAEL – July 28, 2016 – TowerJazz (NASDAQ/ TASE: TSEM), the global specialty foundry leader, announced today the dismissal of the securities action filed earlier this year in the United States District Court for the Central District of California, following the plaintiffs request for voluntary dismissal. There were no settlement payments or any other considerations involved in the withdrawal and dismissal of the lawsuit. The Company will not bear any financial costs since all legal and other relevant expenses are covered by its insurance policy.

The company has and will continue its focus on shareholder value through smart business growth and commensurate financial performance.

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 TowerJazz's business is included under the heading "Risk Factors" in Tower's most recent filings on Forms 20-F and 6-K, as were filed with the Securities and Exchange Commission and the Israel Securities Authority. TowerJazz does not intend to update, and expressly disclaims any obligation to update, the information contained in this release.

About TowerJazz

Tower Semiconductor Ltd. (NASDAQ: TSEM, TASE: TSEM) and its fully owned U.S. subsidiaries Jazz Semiconductor, Inc. and TowerJazz Texas Inc., operate collectively under the brand name TowerJazz, the global specialty foundry leader. TowerJazz manufactures integrated circuits, offering a broad range of customizable process technologies including: SiGe, BiCMOS, mixed-signal/CMOS, RF CMOS, CMOS image sensor, integrated power management (BCD and 700V), and MEMS. TowerJazz also provides a world-class design enablement platform for a quick and accurate design cycle as well as Transfer Optimization and development Process Services (TOPS) to IDMs and fabless companies that need to expand capacity.

To provide multi-fab sourcing and extended capacity for its customers, TowerJazz operates two manufacturing facilities in Israel (150mm and 200mm), two in the U.S. (200mm) and three additional facilities in Japan (two 200mm and one 300mm) through TowerJazz Panasonic Semiconductor Co. (TPSCo), established with Panasonic Corporation of which TowerJazz has the majority holding. Through TPSCo, TowerJazz provides leading edge 45nm CMOS, 65nm RF CMOS and 65nm 1.12um pixel technologies, including the most advanced image sensor technologies. For more information, please visit www.towerjazz.com or www.tpsemico.com.

CONTACTS:

Noit Levi | TowerJazz | +972 4 604 7066 | noitle@towersemi.com

Gavriel Frohwein | GK Investor Relations | (646) 688 3559 | towerjazz@gkir.com