



NEWS ANNOUNCEMENT

FOR IMMEDIATE RELEASE

TowerJazz to Present at Mentor Forum Israel on January 15, 2013

MIGDAL HAEMEK, Israel, January 14, 2013 – [TowerJazz](http://www.towerjazz.com), the global specialty foundry leader, today announced its participation at the [Mentor Forum Israel](http://www.mentor.com/forum/israel) on January 15, 2013 at the Hilton Tel-Aviv hotel. TowerJazz is utilizing several Mentor tool sets, both for design and mask generation, and will be exhibiting at the event. TowerJazz will also provide two presentations; Mr. Amir Oren, Senior Program Manager, Mask Technology Group, will discuss automated Design Rule Checking (DRC) waiver technology and Mr. Ronen Hasnes, Design Enablement Manager, will present on TowerJazz's reference flow and its use of Mentor's Calibre® PERC product.

Mr. Oren's talk will take place at 15:15 in the physical verification track under "Double Patterning and the Calibre Platform: A Deep Dive" and will focus on the DRC violation auto waiver, a technique implemented on GDSII files intended to reduce the amount of DRC errors that appear when run. Usually these errors, if approved by an integrator, take a lot of time as the approval is done manually and on a case-by-case basis. By having an automatic runset that identifies and approves these cases, it saves a lot of time and allows a more fluent tapeout flow.

TowerJazz's presentation on its reference flow and use of Mentor's Calibre PERC solution will be provided by Mr. Hasnes at 11:55 in the physical verification track under "Using Calibre PERC for Circuit Reliability Verification." Calibre PERC provides the unique ability to combine schematic (netlist) and physical layout criteria and measurements to perform advanced checks that were previously done manually because they were difficult or impossible to automate. TowerJazz is currently using Calibre PERC internally to create specialized circuit reliability checks for its customers which include, but are not limited to, electrostatic discharge (ESD), charge device modeling (CDM), and power management propagation checks. TowerJazz is also planning to issue Calibre PERC rule decks to TowerJazz customers.

"We are pleased to collaborate with Mentor and develop these unique usages for their tool sets. The development by the TowerJazz design center and mask groups with the Mentor support team will provide better design-rule coverage for our customers accelerating their time to market," said Ori Galzur, Vice President of the TowerJazz VLSI Design Center. "Enabling a

clean DRC run will ease the tapeout procedure for our customers and allow them to develop products with a higher confidence level in their design.”

For more information on TowerJazz’s participation at the Mentor Forum Israel, please contact: Roni Oren: roni.oren@towerjazz.com. To learn more about the event, please visit: <http://www.mentor.com/events/mentor-forum/israel/>.

About TowerJazz

Tower Semiconductor Ltd. (NASDAQ: TSEM, TASE: TSEM), its fully owned U.S. subsidiary Jazz Semiconductor Ltd., and its fully owned Japanese subsidiary TowerJazz Japan, Ltd., operate collectively under the brand name TowerJazz, the global specialty foundry leader. TowerJazz manufactures integrated circuits with geometries ranging from 1.0 to 0.13-micron, offering a broad range of customizable process technologies including: SiGe, BiCMOS, Mixed-Signal and RFCMOS, CMOS Image Sensor, Power Management (BCD), and Non-Volatile Memory (NVM) as well as CMOS and MEMS capabilities. TowerJazz also offers a world-class design enablement platform that complements its sophisticated technology and enables a quick and accurate design cycle. In addition, TowerJazz provides (TOPS) Technology Optimization Process Services to IDMs as well as fabless companies that need to expand capacity, or progress from an R&D line to a production line. To provide multi-fab sourcing, TowerJazz maintains two manufacturing facilities in Israel, one in the U.S., and one in Japan with additional capacity available in China through manufacturing partnerships. For more information, please visit www.towerjazz.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 TowerJazz’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, respectively. Tower and Jazz do not intend to update, and expressly disclaim any obligation to update, the information contained in this release.

About Mentor Graphics

Mentor Graphics Corporation is a world leader in electronic hardware and software design solutions, providing products, consulting services and award-winning support for the world’s most successful electronic, semiconductor and systems companies. Established in 1981, the company reported revenues in the last fiscal year of about \$1,015 million. Corporate headquarters are located at 8005 S.W. Boeckman Road, Wilsonville, Oregon 97070-7777. World Wide Web site: <http://www.mentor.com/>.

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